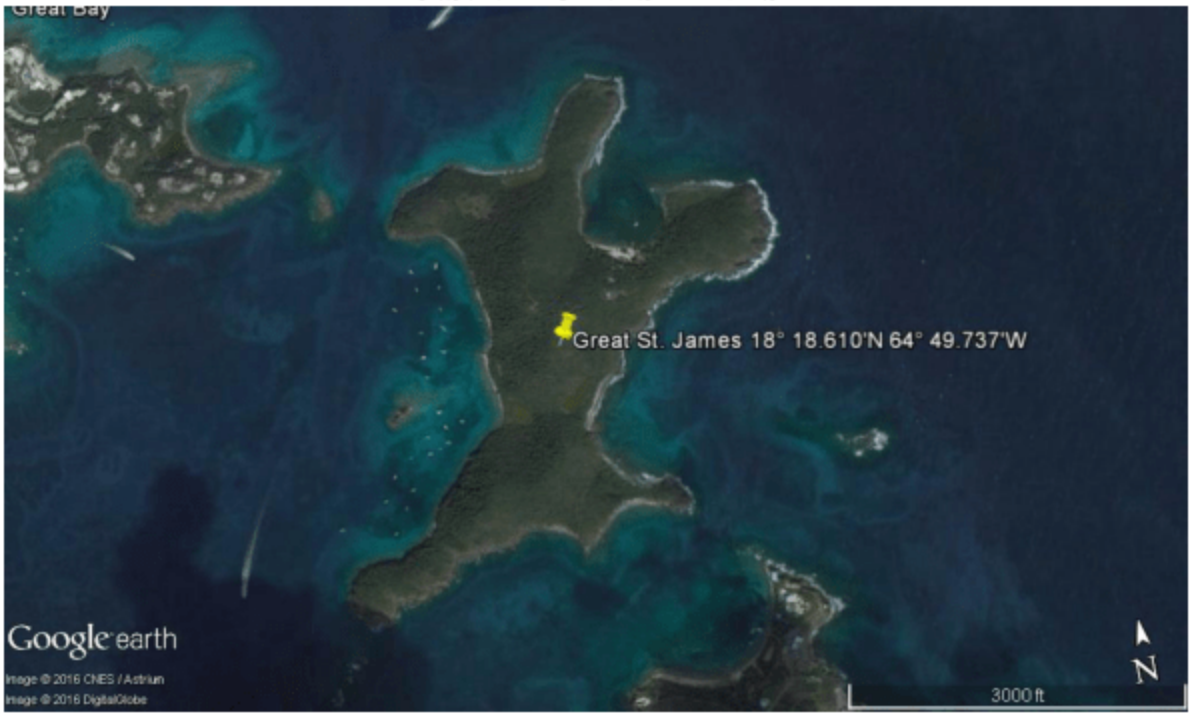
PHASE I ENVIRONMENTAL ASSESSMENT REPORT
GREAT ST. JAMES
U.S. VIRGIN ISLANDS



PREPARED FOR

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I. SUMMARY

An Environmental Site Assessment was conducted of Great St. James Island in January 2016. Great St. James is located off the southeastern end of the island of St. Thomas. Little St. James lies to the east.

II. INTRODUCTION

A. PURPOSE

The Environmental Site Assessment has been conducted on the site to identify any potential hazardous substances or petroleum products or Recognized Environmental Concerns (RECs) on Great St. James, St. Thomas, U.S. Virgin Islands, whether it is an existing release, a past release or a potential threat of a future release exists.

B DETAILED SCOPE OF SERVICES

This Environmental Site Assessment follows the Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process as designated in E 1527-05 by the American Society for Testing and Materials (ASTM), 2005 (latest release). This practice is under the jurisdiction of ASTM Committee E-50 on Environmental Assessment and is the direct responsibility of Subcommittee E50.02 on Commercials Real Estate Transactions.

C. SIGNIFICANT ASSUMPTIONS

It is assumed that no potentially hazardous substance or petroleum products or knowledge of such has been purposely or otherwise hidden or withheld in association with Great St. James, St. Thomas, U.S. Virgin Islands.

D. LIMITATIONS AND EXCEPTIONS OF ASSESSMENT

The environmental professional is very familiar with the island and area of the island that are not currently developed were not surveyed since no alterations to those areas has been made.

Sanborn maps and municipal directories are not available for the Subject Parcel; public records, including NOAA aerials, soils maps, permits and the Surveyors Report were used to document uses of the property.

E. SPECIAL TERMS AND CONDITIONS

There are no special terms or conditions in association with this Phase I Environmental Assessment.

F. USER RELIANCE

This report has been prepared for the use of Erika A. Kellerhals of Kellerhals Ferguson Kroblin PLLC and their assignees. No other parties are entitled to rely on this Report without receipt of express written permission to do so from Erika A. Kellerhals and Bioimpact, Inc.

II. **SITE DESCRIPTION**

A. LOCATION AND LEGAL DESCRIPTION

The island is divided in to several parcels as shown on the VI Cadastral website Estate Great St. James Red Hook Quarter, St. Thomas, C-1 & C-2 Estate Great St. James No. 6A Redhook Quarter, St. Thomas and B-1 & B-2 Estate Great St. James, Redhook Quarter, St. Thomas. The Tax IDs are ID 109801010100, ID 109801010300 and ID 109801010200 respectively.

B. SITE AND VICINITY CHARACTERISTIC

The island is more than 90% undeveloped. There is a small residential compound located off the northeastern facing bay. There as several dirt roads on the northern end of the island but the rest is forested. There are 5 salt ponds on the island as well has historic ruins also no the northern end.

C. CURRENT USES OF THE PROPERTY

The property is used for a private family vacation area. There is a caretaker who lives on the property.

D. DESCRIPTION OF STRUCTURES, ROADS, OTHER IMPROVEMENTS ON THE SITE

There is a quonset hut at the top of the hill above the small houses, there is a small wooden house with galvanized roofing near the quonset hut which is the caretakers home. There is a main residential structure which consists of detached rooms which is a wooden structure with galvanized roofing. There is a small shed which houses an RO, and a small cistern near the shed. There is a tennis court near the beach and a small dock. There are no paved roads. There is a dirt road which leads up are to the quonset hut. There is an over grown road to the top of the highest peak and an over grown road to a beach to the west.

E. CURRENT USES OF ADJOINING PROPERTIES

There are no adjoining properties.

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IV. USER PROVIDED INFORMATION

A. TITLE RECORDS

The Lt. Governor Cadastral site shows that the property is held by Christian Kjaer, GSJ Properties Corp and John K, Kim and Nina Furst, and Allee Hambros.

B. ENVIRONMENTAL LIENS OR ACTIVITIES AND USE LIMITATIONS

No environmental liens were found by the data base survey.

C. SPECIALIZED KNOWLEDGE

The environmental professional is familiar with the island having done several surveys within the area over the last 20 years.

D. COMMONLY KNOWN OR REASONABLY ASCERTIANABLY INFORMATION

There is no commonly known or reasonable ascertainable information about this property what would indicate a REC may be present.

E. VALUATION REDUCTION FOR ENVIRONMENTAL ISSUES

There has been no reduction in value of the property due to environmental reasons.

F. OWNER, PROPERTY MANAGER AND OCCUPANT INFORMATION

The Lt. Governor Cadastral site shows that the property is held by Christian Kjaer, GSJ Properties Corp and John K, Kim and Nina Furst, and Allee Hambros.

G. REASON FOR PERFORMING PHASE I

The Environmental Site Assessment has been conducted on the site to identify any potential hazardous substances or petroleum products on Great St. James, St. Thomas, U.S. Virgin Islands whether it is an existing release, a past release or a potential threat of a future release exists.

H. OTHER

N/A

V. RECORDS REVIEW

A. STANDARD ENVIRONMENTAL RECORD SOURCES, FEDERAL AND TERRITORIAL

The FirstSearch Technology Corporation Database Search found 669 listing on the data base search of the zip code. No listings were associated with Great St. James and because this is an island none of the other properties can affect it.

B. ADDITIONAL ENVIRONMENTAL RECORD SOURCES

Information for this Environmental Assessment has been gathered from local government offices and personnel, historical photographs and publications, Federal Emergency Management Publications and United States Geological Service (USGS) and aerial service maps.

C. PHYSICAL SETTING SOURCES

The island which lies off the eastern tip of St. Thomas is irregularly shaped, and has two fault lines running across the island. The island is comprised of 162 acres and rises to an elevation of 186 feet above sealevel. The island is a part of the Water Island Formation that was lain down in the Lower Cretaceous. The northern tip is tonalite, gabbro and granite from the tertiary period, the north western tip as well as the southeastern tip of the island is basalt, and the southwestern tip is undivided, mostly keratophyra. The central portion of the island and the northeastern point is part of the Louisenhoj Formation. The shorelines are a combination of sandy beach, cobble beach and shear rocky cliffs. There are 5 salt ponds on the island.

The Soil Survey of the Unites State Virgin Islands has classified 6 soil types on the islands of Great St. James.

Cinnamon Bay gravelly loam (CgC), 5 to 12 percent slopes, occasionally flooded is usually found on alluvial fans and terraces adjacent to volcanic uplands. It has a survace layer which is 0 to 5 inches deep that is a very dark grayish brown gravelly loam, the subsurface is 5 to 10 inches deep and is a dark brown gravelly loam.

Redhook extremely stony sand (RdB), 0 to 5 percent slopes, rubbly, rarely flooded is usually found on coast beaches that are composed of calcareous sand. It has a surface layer 0 to 7 inches deep of dark brown extremely stony sand, underlain with 7 to 10 inches of brown very stony sand
and 10 to 16 inches of very pale brown very gravelly sand below which is 16 to 60 inches of white very gravelly sand.

Salt flats ponded (SaA) consist of area of unvegetated saline flats, saline marshes and salt ponds.
The soils are very deep and poorly drained, strongly saline and frequently ponded for very long periods.

Southgate-Rock outcrop complex (SrE), 20 to 40 percent slopes is found on the summits and side slopes of volcanic hills and mountains. It has a surface layer of 0 to 5 inches of brown gravelly loam and a subsoil of 5 to 10 inches of brown very gravelly loam underlain by 10 to 17 inches of weathered igneous bedrock and 17 to 60 inches of

unweathered igneous bedrock.

Southgate-Rock outcrop complex (SrF), 40 to 60 percent slopes is found on the summits and side slopes of volcanic hills and mountains. It has a surface layer of 0 to 5 inches of brown gravelly loam and a subsoil of 5 to 10 inches of brown very gravelly loam underlain by 10 to 17 inches of weathered igneous bedrock and 17 to 60 inches of
unweathered igneouss bedrock.
Solitude gravelly fine sandy loan (SoA), is found in areas that are adjacent to saline marshes, flats and salt ponds and are a mixture of terrestrial and marine sediments.

D. HISTORICAL USE INFORMATION

Historically the property was developed and part was in agricultural use. In the recent past island has only been in residential use.

E. CURRENT AND PAST USES OF ADJOINING PROPERTIES

There are no adjoining properties.

VI. SITE RECONNAISSANCE

A. METHODOLOGY AND LIMITING CONDITIONS

Walkthrough transects were made around the housing compound and into sheds and out buildings

B. GENERAL SITE SETTING

1. CURRENT USES OF THE PROPERTY

The property is currently used as a vacation property and there is a care taker who lives on the island.

2. PAST USES OF THE PROPERTY

The property has been in residential use for the last 50 years.

3. CURRENT USES IN THE ADJOINING PROPERTY

There are no adjoining properties.

4. PAST USES OF ADJOINING PROPERTY

There are no adjoining properties.

5. CURRENT OR PAST USES IN THE SURROUNDING AREA

The island to the east is also privately held and has a single resident.

6. GEOLOGIC, HYDROGEOLOGIC, HYDROLOGIC AND TOPOGRAPHIC CONDITIONS

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VII. ROADS

There are no paved roads. There is a dirt road which leads up are to the quonset hut. There is an over grown road to the top of the highest peak and an over grown road to a beach to the west.

9. POTABLE WATER SUPPLY

The property utilizes roof catchment. An RO has been installed on a well but it is currently no in use.

10. SEWAGE DISPOSAL

The property has a chambered waste system which currently does not appear to be functioning correctly. The effluent from the system is used for irrigation.

C. EXTERIOR AND INTERIOR OBSERVATIONS

VIII. HAZARDOUS SUBSTANCES IN CONNECTION WITH IDENTIFIED USES

There is fuel on the site for the vehicles and for a generator. All of the fuel is in proper containment.

IX. STORAGE TANKS

There is are fuel tanks located adjacent to the Quonset hut which are used for the generator and fueling vehicles. There are 5 gallon gas tanks which are also used for fueling jet skis and other combustion engines on the site.

X. ODORS

There were no unusual odors on the site.

XI. POOLS OF LIQUID

There were no pool of liquid on the site.

XII. DRUMS

There are several 55 gallon drums in the maintenance area and some contain hydrocarbons. All were property stored.

XIII. HAZARDOUS SUBSTANCE AND PETROLEUM PRODUCTS

There are some petroleum products associated with some of the mechanical equipment, small containers, and the fuel tank. All were properly stored.

XIV. UNIDENTIFIED SUBSTANCE CONTAINERS

No unidentified substance containers were noted.

XV. INDICATIONS OF PCB'S

There are no indications of PCB's or the potential for PCBs on the site.

D. INTERIOR OBSERVATIONS

1. HEATING/COOLING

There were window units in the detached residential units.

2. STAINS OR CORROSION

There were no stains or corrosion noted.

3. DRAINS AND SUMPS

The only drainage system noted was the waste water which lead to the septic containment and the down spouts for roof catchment leading to the cistern. No sumps were noted.

E. EXTERIOR OBSERVATIONS

1. PITS, PONDS OR LAGOONS

There are 5 salt ponds on the site.

2. STAINED SOIL OR PAVEMENT

No stained soil was noted. There is no pavement on the site.

3. STRESSED VEGETATION

No stressed vegetation was present on site other than landscaping debris.

4. SOLID WASTE

There is scattered debris to the south of the Quonset hut in what appears to be a storage area for construction debris and materials. None would represent an REC.

5. WASTE WATER

The property has a multi chambered system that appear to be malfunctioning and is full. The effluent is used for irrigation.

6. WELLS

There is a well on the property, which the RO was attached to.

7. SEPTIC SYSTEM

The property has a multi chambered system that appear to be malfunctioning and is full. The effluent is used for irrigation.

H. INTERVIEWS

A. INTERVIEW WITH OWNER

The owner is not in the country. He has a local attorney, Kevin [redacted] who is not aware of any environmental concerns on the property.

B. INTERVIEW WITH SITE MANAGER

The site manager who lives on site was not aware of any environmental concerns on site.

C. INTERVIEW WITH OCCUPANTS

There are no occupants other than the site manager.

D. INTERVIEW WITH LOCAL GOVERNMENT OFFICIALS

Kent Bernier or Syed Syedali of the Department of Planning and Natural Resources said he was unaware of any RECs on the site or in the immediate area.

E. INTERVIEWS WITH OTHERS

N/A.

VII. FINDINGS

The island has been used as a vacation home for a single family for many years. The site is well kept and the fuels on the site are properly stored. No RECs were noted.

VIII. OPINION

It is the environmental professional's opinion that there are no conditions on the site that constitute a recognized environmental condition as defined by ASTM 1527-05.

IX. CONCLUSIONS

It is the environmental professional's option that there are no conditions on the site which constitute a recognized environmental condition as defined by ASTM 1527-05..

X. DEVIATIONS

There were no deviations from standard practices in association with this assessment.

XI. REFERENCES

Urban Hydrology for Small Watersheds, U.S. Department of Agriculture, Soil Conservation Services, Technical Release 55, 1986.

U.S. Department of Agriculture Soil Conservation Service. 1970 Soil Survey Virgin Islands of 39the United States. U.S. Gov't. Printing Office, Wash., [redacted].

XII. SIGNATURES OF ENVIRONMENTAL PROFESSIONAL

This report is a true representation of our findings during the record review and site reconnaissance of Great St. James, St. Thomas, U.S. Virgin Islands.
I declare that to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 312.10 of 40 of 40 CFR 312 and I have the specific qualification based on education, training and experience to assess a property of the nature, history, and setting of the subject property. I have developed and preformed the all appropriate inquires in conformance with the standards and practices set forth in 40 CFR, Part 312.

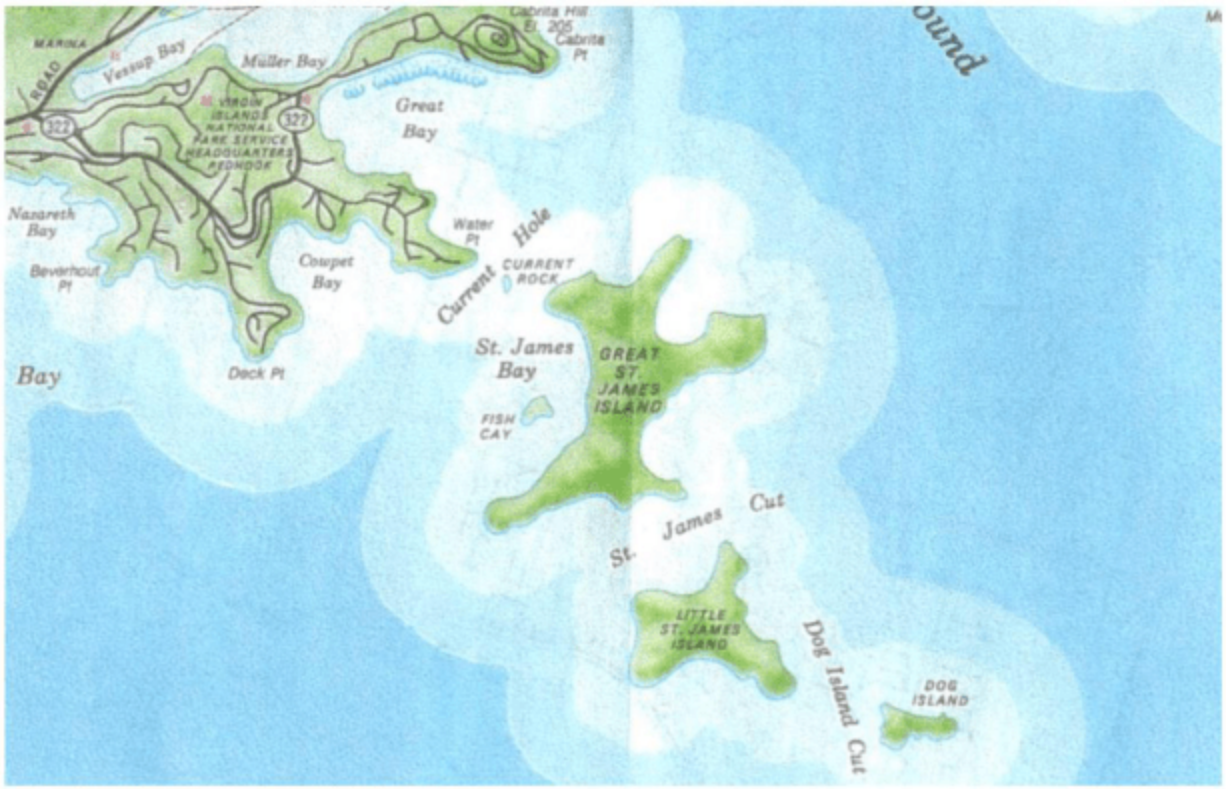
Amy Claire Dempsey, [redacted]. President, Bioimpact, Inc.

XIII. QUALIFICATIONS OF ENVIRONMENTAL PROFESSIONALS

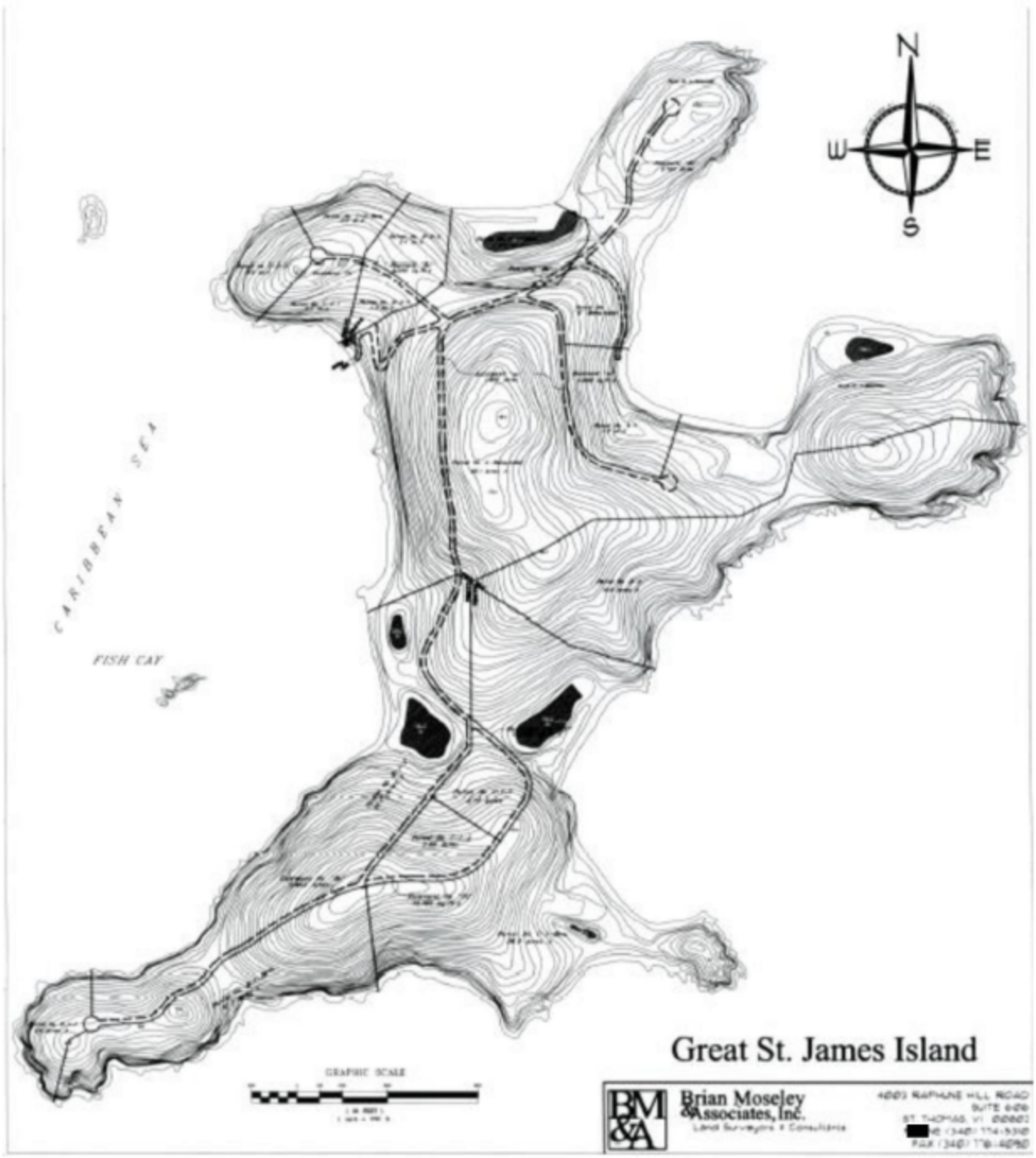
Resume for Amy Claire Dempsey and Bioimpact, Inc.'s qualification statements are attached.

IIV. APPENDICES

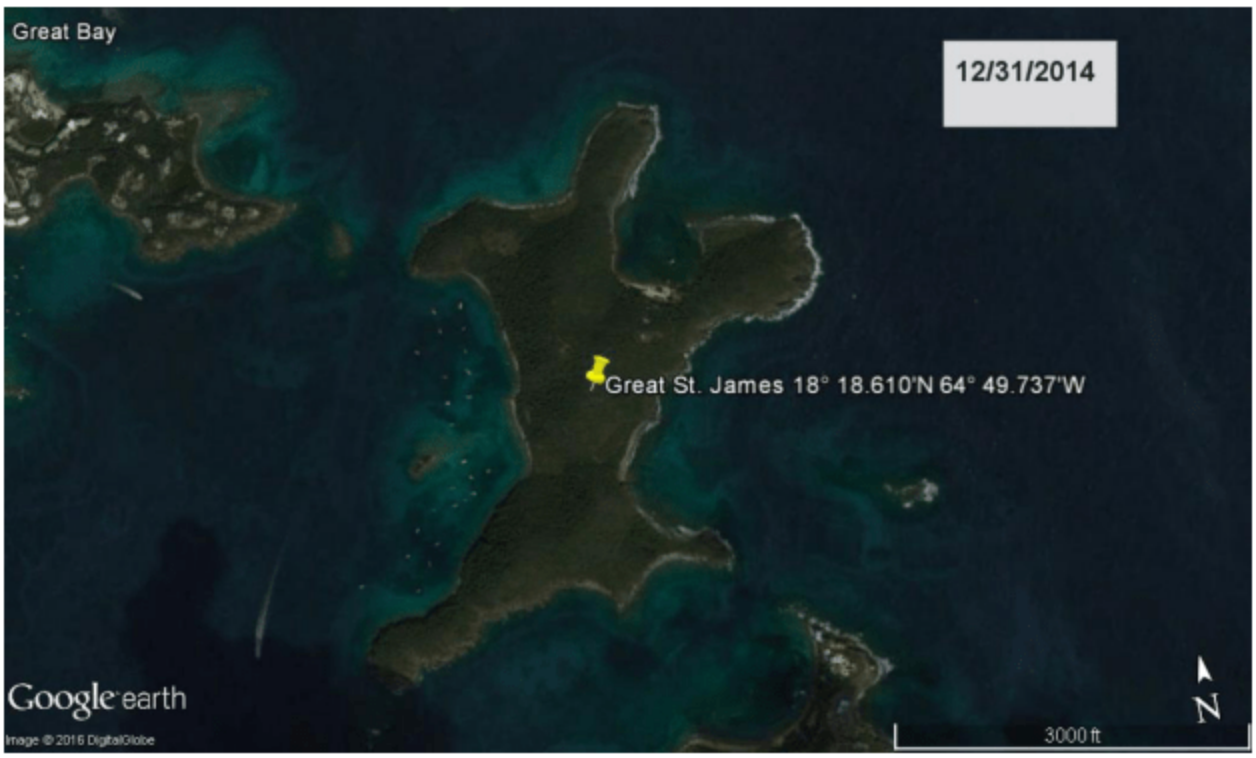
A. **Location Map/Site**

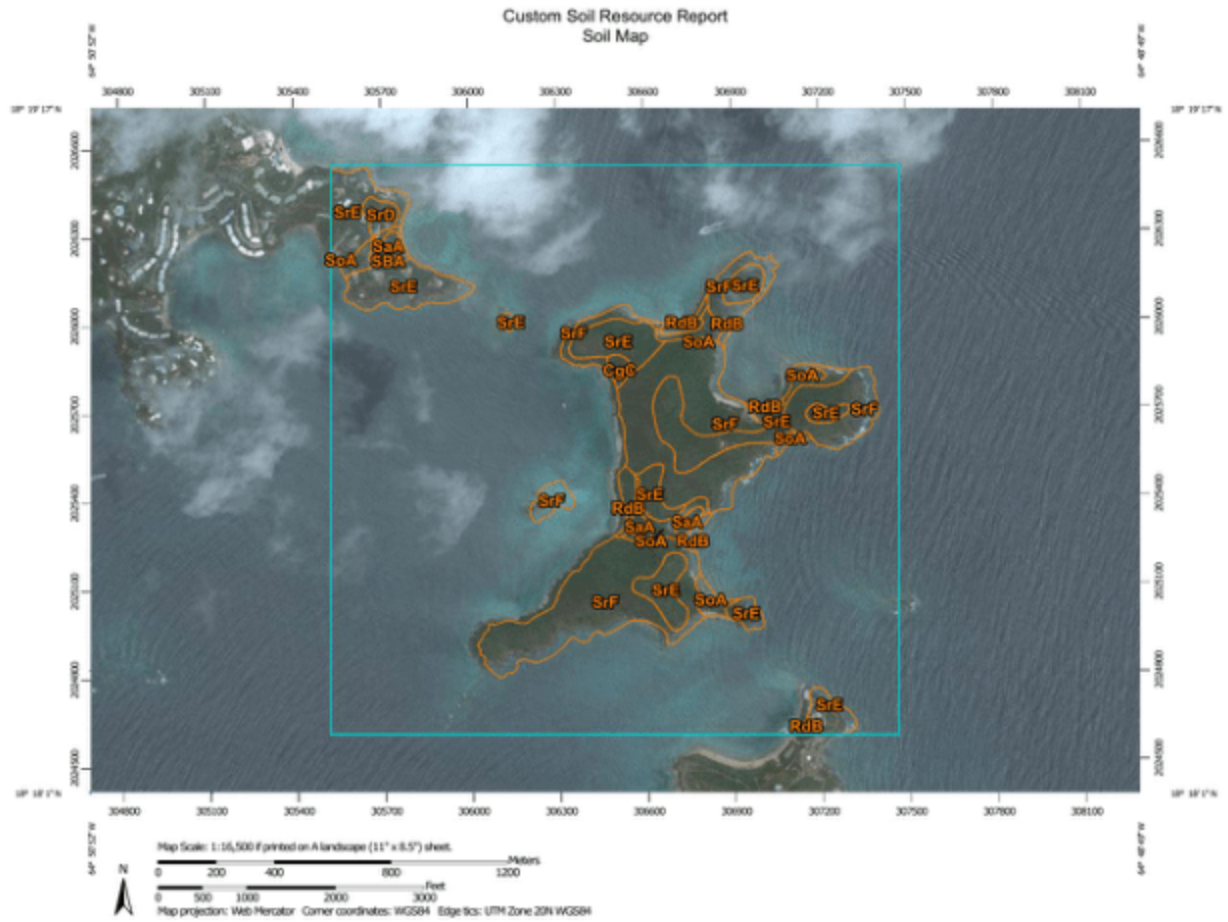


B. SUPPORTING DATA



Topographic Map





Soils Report