

AGREEMENT

Between the Government of the Virgin Islands and Hans Lollik Corporation Relating to the Construction of a Hotel, a Marina, a Housing Project and Other Related Facilities.

THIS AGREEMENT between the Government of the Virgin Islands, hereinafter referred to as "The Government", and Hans Lollik Corporation, hereinafter called "Hans Lollik", a corporation existing under the laws of the Virgin Islands.

WITNESSETH:

WHEREAS, it is the policy of the Government to encourage and promote the tourist industry in the Virgin Islands thereby adding to the economic base of the Virgin Islands and generally benefiting the entire population, and

WHEREAS, Hans Lollik has recently purchased Great Hans Lollik Island, 10 Great Northside Quarter, St. Thomas, Virgin Islands, (also known as "Big Hans Lollik Island"), which at the present time is unimproved, yields no tax revenues and contributes nothing to the economy of the Virgin Islands, and

WHEREAS, the initial development objective of Hans Lollik is to construct a hotel and related facilities, hereinafter referred to as "The Hotel", on Great Hans Lollik Island with accommodations for no less than fifty (50) rooms to be completed by December 1966, anticipating substantial expenditures in hotel, service harbor, roads and marina together with a further development plan calling for the construction of approximately one hundred and fifty (150) major residences to be constructed, hereinafter referred to as "The Housing Project".

WHEREAS, Hans Lollik needing a convenient access point to Great Hans Lollik Island, contemplates constructing a modern marina in the Mandahl Salt Pond area, hereinafter referred to as "The Marina", which would be made a protected harbor for pleasure craft which will be open to the general public at reasonable rates, and which will serve as a well-located and attractive point of departure for the game-fishing vessels headed for the new fishing banks, and

WHEREAS, because of the offshore location of Great Hans Lollik Island it will be necessary for the developers to provide and maintain, at their own expense, all public facilities which would be available to them without cost if the project were located on St. Thomas, the burden and obligation of providing such facilities to include roads and road maintenance, water supply, sewage disposal, garbage collection, public lighting, and power distribution, and

WHEREAS, the project will provide an increase of over fifteen per cent (15%) in tourist accommodations on St. Thomas, and if established, would promote the public interest by assisting greatly in the economic development of the Virgin Islands, and

WHEREAS, as an inducement to Hans Lollik to establish this project in the Virgin Islands, the Government is prepared to lease (subject to the condition precedent as further set forth below, that certain restrictions and limitations on its title be removed) a certain area known as the Mandahl Salt Pond to Hans Lollik, to grant certain tax exemptions and subsidies to Hans Lollik and certain other parties as hereinafter set forth, and to comply with the other terms and provisions contained herein in order to authorize, facilitate and promote the establishment and operation of the project above described;

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NOW, THEREFORE, the parties hereto mutually covenant and agree as follows:

1. CONSTRUCTION OF THE HOTEL: Within three (3) years from the effective date of this agreement, Hans Lollik will expend, or will cause to be expended, not less than the sum of EIGHT HUNDRED THOUSAND (\$800,000.00) DOLLARS, and within six (6) years from the date of approval of this agreement an additional sum of not less than FIVE HUNDRED THOUSAND (\$500,000.00) DOLLARS in the development, construction, furnishing and equipping of the Hotel, Housing Project and related facilities on Great Hans Lollik Island (such related facilities to include but not be limited to docks, and other landing facilities; beach improvements; landscaping; roads; water supply, sewage disposal, garbage disposal, lighting and power distribution facilities; together with all other facilities related thereto, namely the facilities that Hans Lollik determines are desirable, or required for, the operation of such hotel and housing project on an isolated island) to the end that a total of not less than ONE MILLION THREE HUNDRED THOUSAND (\$1,300,000.00) DOLLARS will be expended on said hotel, housing project and related facilities within a total period of six (6) years from the effective date of this Agreement.

IT IS AGREED AND UNDERSTOOD, however, that if Hans Lollik shall fail to expend, or cause to be expended, the sums set forth above within the time periods set forth, and if such failure is not excused by reason of force majeure as further set forth in the clause of this Agreement entitled "Force Majeure", then Hans Lollik's only liability for such unexcused failure shall be the loss of its special tax exemptions and subsidies as set forth herein. Hans Lollik's special tax exemptions and subsidies shall be deemed to be those exemptions and subsidies to which it is entitled by virtue of this Agreement over and above what Hans Lollik would have been entitled to in accordance with Title 33 Virgin Islands Code, Subtitle 4, Chapter 201. And in any event,

IT IS AGREED AND UNDERSTOOD that if Hans Lollik shall, within the time period set forth above expend, or cause to be expended, with respect to the facilities described above, the sum of FIVE HUNDRED THOUSAND (\$500,000.00) DOLLARS then Hans Lollik shall be entitled to and is hereby granted all exemptions and subsidies, to which it would otherwise be entitled, as presently set forth in Title 33 Virgin Islands Code, Subtitle 4, Chapter 201.

2. LEASE OF MAND AHL POND AREA AND CONSTRUCTION OF MARINA:  
(A) In consideration of the benefits to the Virgin Islands which will result from the development, construction and operation of this project, and as an inducement to Hans Lollik to develop, construct and operate such project, and for other valuable considerations as set forth herein, the Government hereby leases, subject to the condition precedent set forth below, the following described premises:

Plot #33 of Estate Mandahl, Great Northside Quarter, consisting of 24.0207 U.S. Acres, more or less, as shown on P. W. D. No. A3-25-T36 dated 9/16/36.

TO HAVE AND TO HOLD the above described property unto Hans Lollik, the lessee for the period of NINETY-NINE (99) years commencing on the effective date of this lease as set forth below:

The Government (Lessor) and Hans Lollik (Lessee) hereby acknowledge those certain restrictions and limitations contained in that quitclaim deed dated the 18th day of September, 1945, from the United States of America (Grantor) to the Municipality of St. Thomas and St. John, Virgin Islands of the United States, (Grantee) whereby the aforementioned Plot No. 33 of Estate Mandahl was conveyed,

"for educational and other related community purposes in furtherance of rural rehabilitation," and where the United States of America (Grantor) reserved certain rights of re-entry, and termination of the estate granted, with respect to the said plot. With respect to the foregoing, the Government covenants that it will exercise its best efforts to have all such restrictions and limitations removed by competent authority to the end that the Government of the Virgin Islands (successor to the Municipality of St. Thomas and St. John, (Grantee), obtain such an estate in fee simple to Plot No. 33 Estate Mandahl (the leased area) as will enable the parties to said lease to implement and carry out the same for the purposes for which said lease and this Agreement are entered into; and provided further that the lease of said Plot No. 33 Estate Mandahl as set forth above shall become effective only upon the condition that the Government of the Virgin Islands receive such an estate in fee simple to the said plot, upon the happening of which event the aforementioned lease shall, without requirement for further notice or action by either party, take effect immediately.

(B) It is understood and agreed that the design and engineering of the total project, or any part thereof, shall be within the sole discretion of Hans Lollik and that Hans Lollik requires a period of eighteen (18) months from the effective date of the above Lease to accomplish the necessary surveys and tests incident to such design and engineering. Within six (6) months thereafter, however, or within twenty-four (24) months after the effective date of the above Lease, Hans Lollik will commence, or have commenced, the development and construction of the Marina and will, within five (5) years after the date of such commencement, expend, or cause to be expended, the sum of not less than FIVE HUNDRED THOUSAND (\$500,000.00) DOLLARS in the development, construction, furnishing and equipping of such Marina and Related Facilities (such Related Facilities to include but not be limited to breakwaters, groins, dredging, filling and excavating, landscaping, roadways, building and docks, restaurant, guest facilities, together with all other facilities which, in the opinion of Hans Lollik, are desirable or required for, the development, construction or operation of the Marina).

(C) Hans Lollik agrees and covenants that the Government will have no obligation with respect to costs of development and construction, including costs of dredging, excavating, filling, and other such associated work. Hans Lollik further agrees and covenants that the Marina and the use thereof will be open to the public at reasonable rates provided that Hans Lollik will at all times have the right to adopt and enforce such rules and regulations as are deemed by it, in its sole discretion, to be necessary for the sound and proper operation of the Marina. It is understood that the Mandahl Beach is a public beach under the control and operation of the Government and that nothing in this agreement is to be construed as conferring on Hans Lollik any rights or privileges with respect to the use of said beach by the public.

(D) The Government agrees that Hans Lollik shall have the right to sell for its own account, or otherwise dispose of in any manner it deems desirable, any or all "spill" or other waste material removed or excavated by it or for its account from the salt pond area in connection with the development and construction of the Marina and/or Related Facilities.

(E) The Government agrees and covenants that subject to the availability of appropriation therefor, within six (6) months from the date of commencement of the Marina, it will repair, hard-surface and properly maintain at all times during the term of the above described lease, that public access road leading from the main Mandahl Public Highway to the Marina.

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(F) If within the eighteen(18) month period set forth above for engineering surveys and tests, Hans Lollik determines, in its sole discretion, and for any reason, whatsoever, that it is not feasible to construct a Marina at Mandahl Salt Pond, then Hans Lollik shall so advise the Government and the above lease shall be deemed cancelled without further obligation to either party. It is further agreed and understood that if Hans Lollik shall fail to expend, or to have expended, the sum of FIVE HUNDRED THOUSAND (\$500,000.00) DOLLARS set forth above, within the time period set forth above, and if such failure is not excused by reason of force majeure as further set forth in the clause of this Agreement entitled "Force Majeure" then Hans Lollik's only liability for such unexcused failure shall be cancellation of this lease without obligation to either party. It is understood and agreed, however, that if the said lease is cancelled for any failure of Hans Lollik without respect to this clause, or for whatever other reason, or if said lease fails to become effective because of failure of the condition precedent to occur as set forth therein, none of these events shall affect any concessions, covenants or agreements made by the Government with respect to the construction, development and operation of the Hotel and Housing Project on Great Hans Lollik Island, including, but not limited to, concessions, covenants or agreements respecting the granting of tax exemptions and subsidies.

(G) On and after the effective date of this Agreement, the Government will cooperate in making available to Hans Lollik, and to Hans Lollik's architects, engineers, consultants, agents and other representatives or designees, such plans, reports, files, maps, surveys, deeds, property description and other data and information as it may lawfully disclose with respect to the site of the proposed Marina.

3. TAX EXEMPTIONS AND SUBSIDIES: (A) Hans Lollik and/or its subsidiaries as are engaging in constructing, owning, selling, leasing, operating and/or managing, in whole or in part, the Hotel, Marina or Housing Project shall for a period of sixteen (16) years from the effective date of this Agreement be exempt from payment of all taxes, excises, duties, imposts and exactions imposed by or with the consent of the Government, or any subdivision, agency, or instrumentality thereof, on construction, ownership, operation, maintenance, expansion, sales, leases, or purchases with respect to, including sales, leases, or purchases of land, or any other activity in respect of the Hotel, Marina or Housing Project. The foregoing exemptions shall include specifically but not be limited to exemptions from:

- (i) all property and franchise taxes including taxes on leaseholds;
- (ii) all annual or specific license fees (except automobile license fees);
- (iii) all import duties, sales and use taxes, gross receipts taxes, and all other duties and taxes, including trade taxes and excise taxes, on building materials, furnishings, and equipment used in the construction, operation, management, maintenance and expansion of the Hotel, Marina or Housing Project, and on all items (except liquor and foodstuffs) brought into the Virgin Islands for consumption or use at the Hotel, Marina or Housing Project.

Contractors and subcontractors for Hans Lollik and/or its subsidiaries to whom the foregoing exemptions apply, shall be exempt from the payment of all excise taxes on building materials, furnishing and equipment imported into the Virgin Islands by such contractors and subcontractors for use in the construction and expansion of the Hotel, Marina and Housing Project during the period to which the foregoing exemption applies.

The foregoing exemptions shall not be applicable (1) to charges of general application to all non-governmental consumers for goods or services furnished or rendered by the Government or any subdivision, agency, or instrumentality thereof in the exercise of their proprietary functions (other than unloading charges of public wharves or landing places for building materials, furnishings and equipment imported into the Virgin Islands for use in the construction of the Hotel, Marina or Housing Project for not to exceed ten (10) years from the effective date of this Agreement), or (2) to payroll taxes of general application imposed under workmen's compensation, unemployment insurance and other similar employee-benefit legislation.

(B) Hans Lollik and/or its subsidiaries, as are engaging in constructing, owning, selling, leasing, operating and/or managing, in whole or in part, the Hotel, Marina or Housing Project shall receive a non-taxable subsidy measured by the following taxes except to the extent that Hans Lollik and/or its subsidiaries are exempted from such taxes pursuant to the terms of this Agreement, in an amount equal to:

(i) For those periods set forth below, seventy-five percent (75%) of the income taxes, (which, for the purpose of this entire clause, shall include taxes on capital gains,) actually paid into the Treasury of the Virgin Islands with respect to income (which, for the purpose of this entire clause, shall include capital gains,) derived by Hans Lollik and/or its subsidiaries, from the constructing, owning, selling, leasing, operating and/or managing of, in whole or in part, the Hotel, Marina or Housing Project, together with all related facilities, including, but not limited to income derived from the sales or rentals of improved or unimproved real property. The subsidy period with respect to the Hotel (and Related Facilities) and Marina (and Related Facilities) shall be that period of sixteen (16) years beginning with the dates, respectively, of the opening of the Hotel and Marina; but, in no event, beginning later than three (3) years after the effective date of this Agreement in the case of the Hotel (and Related Facilities), nor three (3) years after the effective date of the Lease set forth elsewhere herein in the case of the Marina (and Related Facilities). The subsidy period with respect to the Housing Project (and Related Facilities) shall be that period of sixteen (16) years beginning with the effective date of this Agreement. During the respective periods of sixteen (16) years set forth above, any stockholders of Hans Lollik and/or its subsidiaries as are engaging in whole or in part, in the constructing, owning, selling, leasing, operating and/or managing of the Hotel, Marina or Housing Project or their Related Facilities, who are residents of the Virgin Islands shall receive, with respect to such periods, a non-taxable subsidy in an amount equal to seventy-five percent (75%) of the income taxes actually paid by them into the Treasury of the Virgin Islands on income, as above defined, derived by them as stockholders from the aforementioned activities, including income derived from sales of stocks, or other transactions giving rise to capital gains.

(ii) For that period of sixteen (16) years beginning with the effective date of this Agreement, ninety percent (90%) of the import duties and other taxes actually paid into the Treasury of the Virgin Islands on all items (except liquor and food-stuffs) brought into the Virgin Islands for consumption or use at the Hotel, Marina or Housing Project, and on building materials, furnishing and equipment imported into the Virgin Islands for use in the construction and expansion of the Hotel, Marina or Housing Project.

(C) The Government will issue necessary exemption certificates as are from time to time required by Hans Lollik and/or its subsidiaries and pay the subsidies provided for in this section promptly after payment of the taxes and duties, by which the same are measured, into the Treasury of the Virgin Islands. The Government agrees and covenants further that, should it ever become legally feasible or permissible to do so, whether as a result of any change in law, regulation, ruling, interpretation, or otherwise, the Government shall then permit

Hans Lollik and/or its subsidiaries or the stockholders thereof eligible for subsidies by virtue of the foregoing, to credit the amount of the subsidies to which they are so entitled against taxes owed or payable by them to the Government, in lieu of receiving such subsidies from the Government.

(D) It is understood and agreed that it is not the intention of this clause to grant tax or fee exemptions or subsidies to owners of residences in the Housing Project solely by virtue of such ownership, and no part of this clause shall be so construed as to grant such tax or fee exemptions or subsidies to such owners merely by virtue of such ownership; provided, however, that such ownership shall not, in turn, deprive any owners of whatever other rights they may be otherwise entitled to as stockholders under this Agreement.

4. ZONING, BUILDING AND OTHER REGULATIONS:

(A) In regard to questions of land use and the zoning law, the Government has satisfied itself and does hereby determine that the use of the respective sites in question for purposes of a Hotel, Marina and Housing Project are approved. The Government will further, consistent with the public interest, issue such certificates, licenses and permits and take such other action as may be required of it under any safety, health and related laws, and any rulings and regulations in connection therewith.

(B) It is contemplated that Hans Lollik may wish to construct, or have constructed, piers, bulkheads, wharves, breakwaters, jetties, pipelines, channels, dikes, causeways and other works bordering the shoreline portions of the Hotel, Marina and Housing Project; also that Hans Lollik may wish to conduct, or have conducted, landfilled, or land excavation, reclamation, and other land-building or land-removal operations in connection with the Hotel, Marina and Housing Project, which operations may alter the topography of certain areas of the project sites, provided, however, that Hans Lollik shall take no deleterious action with respect to Mandahl Beach. It is agreed and understood, however, that Hans Lollik shall have the right to dredge an access channel, of adequate depth, not more than one hundred (100) feet wide at the eastern end of the beach and as presently contemplated as shown in Exhibit B. Such construction, land-building and land-removal operations, shall, when and if undertaken, be deemed for the purposes of the next preceding paragraph to constitute a part of the construction and operation of the Hotel, Marina and Housing Project. Subject to the provisions of such paragraph, the Government, to the extent that it has jurisdiction thereof, hereby authorizes and consents to such construction, land-building and land-removal operations and agrees to furnish such evidence of its approval thereof as may from time to time be required by federal or other authorization of such activities.

5. EMPLOYMENT OF LOCAL RESIDENTS: During the period that any of the tax exemptions and subsidies specified herein are in effect pursuant to this Agreement, not less than seventy-five percent (75%) of the persons employed in the construction, operation and maintenance of the Hotel, Marina and Housing Project shall be legal residents of the Virgin Islands; provided, however, that the Government, acting through the Virgin Islands Commissioner of Agriculture and Labor (or such board or official as the Governor of the Virgin Islands may from time to time designate to perform such function) will, upon application by Hans Lollik and/or its subsidiaries and/or their contractors or subcontractors certifying that legal residents of the Virgin Islands with the necessary ability to perform the services required and in numbers sufficient to meet the needs for personnel for such employment as specified by Hans Lollik to the Government are not available within the Virgin Islands for employment by Hans Lollik, forthwith proceed to verify the facts stated in such application and, unless it is determined that such application is without factual basis, promptly after the filing of

such application authorize Hans Lollik to employ, as may be required by Hans Lollik, a greater percentage of non-residents of the Virgin Islands for such period or periods as such non-availability pertains. If the Government has not notified Hans Lollik in writing, within seven (7) business days of the filing of said application, that it has determined such application to be without factual basis, stating its reasons for such determination, then Hans Lollik's application shall be deemed granted, subject only to the right of the Government to proceed to revoke the same as set forth below. Any authorization by the Government pursuant to the preceding two sentences shall not be revoked except upon thirty (30) days' notice to Hans Lollik and after opportunity for Hans Lollik to appear and be heard and present evidence with respect to such revocation. Subject to the preceding sentence, whether or not any such authorization by the Government is in effect, the Government will cooperate with Hans Lollik in an effort to make available for employment by Hans Lollik a sufficient number of persons with appropriate aptitudes, training and experience regardless of their nationality, domicile, residence or place of origin. Persons on temporary special assignment in connection with the Hotel, Marina or Housing Project shall not be considered as employed for the purposes of this Clause. Hans Lollik will give preference in employment of persons in the construction of the Hotel, Marina and Housing Project to residents of the Virgin Islands, provided in the judgment of Hans Lollik such employment shall be consistent with expeditious and economical construction of the Hotel, Marina and Housing Project. For purposes of applying any percentages set forth above, the Hotel, Marina and Housing Project shall be considered to be and shall be treated as one (1) unit.

6. OTHER LEGISLATION: (A) The terms and provisions of this Agreement being contractual and proprietary in nature, it is understood and expressly declared that the Government will not adopt any legislation impairing or limiting the obligation of this contract. Hans Lollik and/or its subsidiaries and/or their contractors or subcontractors shall not be precluded by reason of this Agreement from applying for benefits under legislation hereafter enacted for which it would otherwise qualify. If any other person, firm or corporation is accorded more favorable treatment as regards tax and fee exemptions and subsidies during the period for which Hans Lollik qualifies for same pursuant to this Agreement, or otherwise, the Government undertakes to accord such more favorable treatment during such period to Hans Lollik subject to the conditions that Hans Lollik satisfy the same material conditions.

(B) The Government undertakes to use its best efforts in good faith to assist Hans Lollik to obtain promptly any consents, approvals, clearance, determinations or other actions on the part of the United States Government, or of any officials, departments, agencies or other instrumentalities thereof that may be necessary or appropriate in connection with establishing the Hotel, Marina and Housing Project, as contemplated by this Agreement, including without limitation any necessary approvals, clearances or other actions pertaining to submerged lands or tide-lands which may be held to be the property of or under the jurisdiction of the United States Government.

7. UTILITIES--U.S. CUSTOMS SERVICE: (A) Hans Lollik and/or its subsidiaries shall have the right, but shall have no obligation, to sell or otherwise transfer to anyone on Great Hans Lollik Island or at the Marina, for such fees or charges, if any, and upon such terms and conditions as may from time to time be stipulated by Hans Lollik or other authorized representative, for consumption or re-sale or both, all or any part of the power or water brought in by, purchased by, produced in, or stored in either place by Hans Lollik. Any such sales, re-sales or transfers shall not be deemed to be public sales or transfers, nor shall the facilities required for such sale or transfer be deemed to be devoted to public use, nor shall the charges for any such sales or transfers be subject to regulation under Title 30 of the Virgin Islands Code. Unless and to the extent otherwise consented to in writing by Hans Lollik, such sales, re-sales,

purchases or transfers may be commenced or discontinued at any time or from time to time, for or without cause, in whole or in part, with or without notice, and as to any and all other such persons, firms, corporations, government, bodies, subdivisions, agencies or instrumentalities.

(B) The Government agrees that it will use its good offices with the Virgin Islands Corporation or with any subsequent owner of the electrical power facilities of the Virgin Islands in aiding or assisting Hans Lollik in obtaining whatever electrical power it requires by means of a submarine transmission cable from St. Thomas to Hans Lollik delivered from St. Thomas point of departure by thirteen thousand (13,000) volts, sixty (60) cycle, three (3) phase, and by means of necessary transmission lines and cables to the Marina. Hans Lollik estimates that it will require a minimum of two thousand five hundred (2,500) kilowatts at two hundred and twenty (220) volts for distribution on Great Hans Lollik of which approximately one thousand (1,000) kilowatts will be required within a period of eighteen (18) months following the effective date of this Agreement. The Government further warrants that, should it at any time become the owner or operator of the electrical power facilities in St. Thomas, it shall furnish and shall continue to furnish an adequate and reliable supply of such power to Hans Lollik.

(C) The Government further agrees that it will use its good offices with the Virgin Islands Telephone Company and, to the extent necessary, with the Public Utilities Commission (an agency of the Government) to the end that adequate and reliable telephone service is furnished to Hans Lollik on Great Hans Lollik Island and at the Marina.

(D) The Government further agrees that it will use its good offices with the United States Customs Service to the end that such Service will permit direct entries of vessels and discharge of cargoes to and on Hans Lollik and the Marina and will assign, from time to time, as may be necessary, such personnel as may be necessary to Great Hans Lollik Island and to the Marina, for the purpose of such entries and discharge.

8. **FORCE MAJEURE**: Any failure or delay in performance by Hans Lollik and/or its subsidiaries and/or their contractors or subcontractors of their obligations hereunder shall not be a breach of this Agreement if such failure or delay arises out of or results from causes beyond its control. These causes shall include, but not be restricted to, fire, storm, flood, earthquake, explosion, accident, acts of a public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine restrictions, labor disputes, shortages of materials or supplies, failures by contractors or subcontractors, transportation embargoes, or failure or delays in transportation, acts of God, acts, rules, regulations, orders or directives of any government or any state, subdivision, territory, municipality, agency or instrumentality thereof, or the order of any court of competent jurisdiction.

9. **DISPUTES**: Any dispute between the parties hereto as to the interpretation or effect of this Agreement (which shall include for the purposes of this Agreement any subsequent modifications thereof unless otherwise expressly provided by such modifications) and any controversy between them, or claim by either of them, whether sounding in tort or contract, arising out of or relating to this Agreement, or the conduct of the parties hereto, their Agents and/or representatives, may during the period of tax exemptions and subsidies provided for herein and one year thereafter, notwithstanding the Government's status as such and in the same manner as similar actions, suits or proceedings to which the Government is not a party, be the subject of either or both

(i) an action, suit or proceeding pursuant to Section 2(b) of the Revised Organic Act of the Virgin Islands, brought by either party, including a proceeding under Chapter 89 of Title 5 of the Virgin Islands Code, in the District Court of the Virgin Islands, or any other court of the United States having original or appellate jurisdiction thereof (or of such portion thereof as may be involved in such action or proceeding;) or

(ii) if Hans Lollik and the Government, in the person of the Governor of the Virgin Islands or his delegate, so agree, an arbitration proceeding brought by either party either in accord with the Rules of the American Arbitration Association or as otherwise agreed by the parties hereto, and judgment upon any award rendered by the arbitrator(s) in any such proceeding may be entered in any court having jurisdiction.

10. EQUAL RIGHTS AND NON-DISCRIMINATION AGREEMENTS: Hans Lollik and/or its subsidiaries agree to comply with the applicable provisions of Title 10 of the Virgin Islands Code relating to equal rights of persons against discrimination.

11. ENTIRE AGREEMENT: SUBSEQUENT AMENDMENTS: (A) This Agreement constitutes the entire agreement of the parties. It is intended that neither party shall have or be deemed to have any obligation under this Agreement except as the same shall be explicitly stated herein.

(B) The Governor shall also have the power in the name and on behalf of the Government to enter into separate agreements with Hans Lollik for the purpose of clarifying, interpreting and carrying into effect the provisions of this Agreement, which agreement shall have the same force and effect as this Agreement itself.

12. GENERAL PROVISIONS: (A) All notices, requests and communications required or permitted to be given or made hereunder by one party to the other shall be in writing and shall be deemed to have been duly given or made if delivered prepaid to the addressee by hand, telegram, cablegram, radiogram or airmail at the address specified below or at such other address as the addressee shall have most recently designated in writing to the addressor:

For the Government:

The Government of the Virgin Islands  
Office of the Governor  
Government House  
Charlotte Amalie  
St. Thomas, Virgin Islands

For Hans Lollik:

Mr. Walter Marlowe  
Charlotte Amalie  
St. Thomas  
Virgin Islands

carbon copy to:  
Mr. Walter Marlowe  
3200 P. Street  
Washington 7, D. C.

(B) The headings of the various sections of this Agreement are inserted for convenience only and shall not affect the meaning or construction of any of the provisions hereof.

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(C) Hans Lollik and/or its subsidiaries shall have the right, on written notice to the Government, without restriction of any kind, to assign this agreement in whole or in part, or to sub-let or mortgage any interest herein, at any time, or from time to time, to one or more assignees, sub-lessees, or mortgagees, as the case may be.

(D) If any clause, sentence, section or part of this Agreement or the application thereof to anyone in any circumstances, is declared invalid, the application thereof to others, to other circumstances, and the remainder of this Agreement, shall not be affected thereby. In the event of any such holding and to the extent of any such invalidity, the Government undertakes, in so far as it may lawfully do so, to take such alternative steps (including the consent to or enactment of legislation and the consent to or promulgation of rules and regulations) as may reasonably and in good faith be required to confer upon the parties benefits comparable in character and substantially equivalent in amount to those intended to be conferred by this Agreement, on terms and conditions not materially more burdensome to either party than those herein provided and without prejudice to any other remedies that may be available to either of them.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have executed and delivered this Agreement in several counterparts, as of the first day of April, A.D., 1964.

THE GOVERNMENT OF THE VIRGIN ISLANDS

BY Ralph M. Paiewonsky  
Ralph M. Paiewonsky  
Governor

Attest:

Cyril E. King  
Cyril E. King  
Government Secretary

HANS LOLLIK CORPORATION

By Walter Marlowe  
Walter Marlowe  
President

Attest:

John P. de Jongh  
John P. de Jongh  
Secretary

Department of the Treasury  
of St. Thomas  
Protocol No. 135 No 2924  
Treasury Property Register for  
THE REGISTRAR'S OFFICE  
St. Thomas  
Approved L. Page 138  
June 5 1967  
Miss Violet

Handwritten notes in the left margin: "Attest: Alice Violet", "Secretary of the Gov. of the Virgin Islands", "John P. de Jongh", "Secretary".

