

**EQUIPMENT LEASE**

THIS AGREEMENT (the Agreement) made 07 January, 2008 between Lafayette Contractors, LLC as agent for L.S.J., LLC (the Lessee) and Alain Gifford; DBA Blessed Trucking, Nisky Mail Boxes P.M.B. #630, St. Thomas, VI 00802 (the Lessor).

WITNESSETH, that the Lessee and the Lessor for the consideration described below agree as follows:

- Under the General Conditions of this Lease which are attached as a part of this Form O1/01, the Lessor leases to the Lessee all equipment named and identified in the following List of Equipment, for use of the location, rental rate and period stated; and shall furnish such equipment free on board Red Hook Ferry Dock at St. Thomas, USVI in good operating condition with an operator.

Description of Equipment	Lessor Equip. Number	Manf. Serial No.	Current Market Value	Guaranteed minimum value	Transportation costs		In Lessee/ Lessor	OUT Lessee /Lessor	FOB Point
					Approximate rental period	Rental rate			
1999 Mack CH613		1M1AA13Y 9XW101828			10 Weeks	\$2600.00 Wk	1/7/08	Completion	Red Hook

- Lessee represents that the equipment will be used at Little St. James Island.
- Lessor agrees to make delivery of the equipment on or about 07 January, 2008 at Red Hook Ferry Dock for transport to Little St. James Island, and return the equipment at the end of the term of this Agreement to the barge ramp on LSJ for transport to the Red Hook Ferry Dock
- The Lessee and Lessor for themselves, their successors, executors, administrators and assigns, agree to the full performance of their respective obligations under this Agreement, including the General Conditions as set forth on the reverse side of this document.
- THIS EQUIPMENT LEASE IS SUBJECT TO THE GENERAL CONDITIONS OF LEASE WHICH ARE A PART OF THIS FORM 01/01 WHICH SUCH TERMS AND CONDITIONS ARE INCORPORATED BY REFERENCE AND MADE A PART HEREOF.**
- Other Special Conditions: (1) Fuel while on LSJ to be provided by Lessee.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

Lessee: Lafayette Contractors, LLC  
As agent for L.S.J., LLC

By: [Signature] Date: 1/7/08  
Name: W. John Amerling  
Title: President

Lessor: Blessed Trucking

By: [Signature] Date: 1/7/08  
Name: Alain Gifford  
Title: Owner

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LSJ  
#1002

code 02-200

**GENERAL CONDITIONS OF LEASE**

These General Conditions of Lease, together with the Agreement set forth on the covering sheet of this form 01/01, constitute between the parties a contract which is referred to as the Lease.

1. **RENTAL PERIOD.** The Rental Period shall cover all time consumed in transporting the equipment, including the date upon which transit to the Lessee begins and the date upon which transit from the Lessee ends at the Lessor's unloading point, unless otherwise agreed.
2. **RENTAL CHARGES.** The Lessee shall pay rental for each article of equipment named in the List of Equipment. Rental rates are based on usage of 8 hours per day, 40 hours per 7 day period, and 176 hours per 30 day period. Should the Lessee use any equipment longer than the above specified hours in any specified period, the Lessee agrees to pay for such additional usage as follows.
  - i) For overtime use Lessee shall pay Lessor 1/8, 1/40, or 1/176<sup>th</sup> of the agreed applicable rental rate for each additional hour worked.
  - ii) For use during additional shifts, Lessee shall pay Lessor one hundred percent (100%) of the rental rate specified in the Agreement.
  - iii) For other than an 8-hour shift, the rental rate shall be as stipulated above.
  - iv) Except as otherwise provided in this Lease, the amount of rent shall not be subject to any reduction because of nonuse during the rental period.
3. **PAYMENT.** Payment of rental shall be due promptly every two weeks for the period immediately preceding payment. Payment shall be made at the office of the Lessee or such other place as may be mutually agreed upon. Late payment shall bear interest at the lesser of 0% or the maximum amount permitted by law. Payment of this interest shall not waive the Lessor's right to terminate this Lease in accordance with paragraph 5 of these General Conditions.
4. **LOADING, UNLOADING AND TRANSPORTATION.** That Lessor, at its own expense, shall load the equipment for transit to the Lessee and upon its return unload it, and shall pay all demurrage charges accruing at its own shipping or receiving point, the Lessee, at its own expense, shall do all unloading, installing, dismantling and reloading, and shall pay all demurrage accruing at its own shipping or receiving point, and all freight in both directions, providing, however, that unless otherwise specifically agreed, the Lessee shall not pay return transportation charges greater than those necessary to move the equipment to the location from which it was received.
5. **TERMINATION OF AGREEMENT.** Should the Lessor fail to ship the equipment in substantially the condition stipulated by this Lease, or ship later than ten (10) days from the date when Lessee agrees and is able to take delivery, or materially breach any provision of this Lease, the Lessee may, upon written notice, terminate this Lease, recover all sums paid to the Lessor, and, in case of shipment not in operating condition, return the equipment at the Lessor's expense. Should the Lessee be late, more than thirty (30) days, on any payment or fail to maintain and operate or to return the equipment as provided by this Lease, or substantially violate any of its provisions, then the Lessee shall be in default and, the Lessor may, after seven (7) days written notice, and Lessee's failure to cure during those seven days, terminate Lessee's right to continue performance under this Lease, take possession of the equipment without becoming liable for trespass, and recover all rental due, all damages for any injury to the equipment, and all expenses incurred in its return.
6. **OPERATION.** Lessor shall cause the equipment to be operated in a safe and reasonable manner. The equipment shall not be removed from the location described at paragraph 2 of the Agreement without the prior written approval of the Lessee.
7. **INSPECTION.** Lessor is required to supply the equipment in good operating condition. As soon as possible after delivery, Lessee shall inspect the equipment; and, if after inspection it is determined that the equipment is not in good operating condition, the Lessor shall upon written notice from Lessee, either put the equipment in good operating condition within a reasonable time or terminate this Lease.
8. **STANDBY.** Should the Lessee's project experience a temporary slowdown or shutdown, Lessee may request from Lessor permission to place specific equipment units not required during this period on standby status. If such permission is granted, the standby rental rate and the length of the standby period shall be mutually agreed upon.
9. **TAXES.** Lessor shall be liable for and shall pay for all licenses, permits, fees, customs, taxes, assessments, penalties and fines, if any, assessed or levied by government, governmental body or agency or other public authority against or with respect to the equipment, this Lease and the transaction which it represents or any interest in or any part of it, or arising out of the ownership, use, operation, or possession of the equipment except for those caused as a result of the actions of Lessee.
1. **FORCE MAJEURE.** The Lessor agrees to hold the Lessee harmless from any loss or damage to the equipment occasioned by fire, theft, flood, accident, explosion, wreck, act of God, or any other cause, whether or not Lessee is negligent,

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that may occur during this Lease, until such equipment has been returned to and accepted by Lessor. The current value of the equipment stated on the List of Equipment shall be the basis for valuation in determining the loss, damage or injury to the equipment. No rentals previously paid for due shall be applied to the payment of such loss. No rentals will be due after such loss, notwithstanding other terms of this Lease

- 11. **HOLD HARMLESS.** Lessor agrees to indemnify and hold Lessee and its related or affiliate entities harmless from any and all actions. Proceedings, claims, damages, liability (including strict liability), losses and expense, including attorney's fees, arising out of or resulting from Lessor's use, negligence, fault or omission in maintenance, operation, handling, conversion, transportation or storage of the equipment during the rental period, for which the Lessee and its related or affiliated entities may be liable because of bodily injury, including death, sustained by any person or persons, including employees of Lessor, or on account or damage to property including loss of use. This indemnity and hold harmless provision shall continue in full force and effect notwithstanding the termination of the Lease, whether by expiration or time, operation of law or otherwise.
- 12. **INSURANCE.** Lessor shall provide evidence of and maintain Government Insurance for the operator, and Automobile Liability Insurance, with limits of at least \$100,000 combined single limit. Lessor shall also indemnify and protect Lessee against any destruction or loss of or damage to the leased equipment, however caused, during the rental period.
- 13. **FORM OF LEASE.** This Lease constitutes the entire agreement between the parties and supersedes any previous agreement or understandings. Paragraph headings of this Lease are inserted for convenience only and in no way define. Limit or describe the scope or intent of this Lease or affect its terms and provisions. NO terms of the Lease shall be modified unless agreed to in writing, signed by Lessor and Lessee. If any provision of this Lease is invalid, it shall be considered deleted and shall not invalidate the remaining provisions.
- 14. **SPECIAL CONDITIONS.** In the event of a conflict between the Special Conditions of the Agreement and these General Conditions of the Lease, the Special Conditions shall prevail.
- 15. **ARBITRATION.** With respect to any disputes between the Lessor and the Lessee arising under this Lease, the Lessor agrees that the Lessee, at its sole option and in its sole discretion, may elect to submit such disputes to arbitration in which such event all claims between the parties hereunder shall be subject to arbitration. Such election shall be evidenced by the filing of a demand for arbitration in accordance with the Construction Industry Rules of the American Arbitration Association and such arbitration shall then be conducted in accordance with such rules. This agreement to arbitrate shall be specifically enforceable under the prevailing law. The award rendered shall be final and any court having jurisdiction thereof may enter judgment upon the award.
- 16. **NOTICES.** Any notice to be given under this Lease shall be mailed to the party to be notified at the address in the Agreement by registered or certified mail with postage prepaid.
- 17. **MAINTENANCE AND REPAIR.** Lessor shall be responsible for all repairs and routine maintenance of the equipment.

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LAFAYETTE CONTRACTORS LLC  
6100 Red Hook Quarter, Suite A2-7  
St. Thomas, VI 00802

Telephone: [REDACTED]  
Fax: [REDACTED]

INTERNAL PROPOSAL No. 23

Date: 11 December 2007  
Rev. 12 December 2007

Proposal No. 00024

RE: Budget for Initial Site Excavation at RO/Mechanical Building

A CZM permit has been issued for the sitework at this site. It can be begun immediately. At the urging of Doug Schoettle and Dan Chipman the team believes that the initial phase of this work, i.e. erosion control, the excavation of material, and removal and storage on island can and should be begun immediately. All of the initial work can be done with forces and equipment already on the island or scheduled to be delivered very soon with the exception of the dump truck listed below.

Charles Miller has instructed that we present this proposal in the following format:

Dan Chipman will organize and manage all the work short and long term. The costs of erosion control can be estimated from the drawings as is done below. The costs of earthwork and rock removal are unknown. This work will be done on a time and materials basis using the resources set out below:

- 1. Survey: \$ 1,0000 (allowance) 02-005 5
  - 2. Erosion Control
    - a. Erosion Fence 435 lineal feet
      - 02-120 L i. Labor: 88 man-hours @ \$15hr \$ 1320
      - 02-120 M ii. Material 435 lineal feet @ \$8.50 a foot \$ 3698
    - b. Erosion Mats
      - 02-120 M i. 24 @ \$55 \$ 1320 +
      - 02-120 M ii. Staples 4 box @ \$45 \$ 180
      - 02-120 L iii. Labor 2 men x 72 = 144x\$15 \$ 2160
      - 02-120 O iv. Clearance, Customs and barging \$ 1960
    - c. Outside Equipment required: One 18 yard dump truck with operator
      - 02-200 i. Estimated 10 weeks @ \$2600 \$ 26,000
      - 02-200 ii. Fuel 70 gal wk x 10wks @ \$4.00 gal \$ 2,800
- \$ 39,438

3. Balance of earthwork and rock removal as follows:

a. Island Equipment (at established island rates)

LSJ - New Construction  
# 1002

**LAFAYETTE CONTRACTORS LLC**  
6100 Red Hook Quarter, Suite A2-7  
St. Thomas, VI 00802

Telephone: [REDACTED]  
Fax: [REDACTED]

- i. Two trackhoes
  - ii. 10 yard dump truck
  - iii. Dozer (as needed)
  - iv. Small backhoe (as needed)
- b. Island Labor (at established island rates) [4 persons]
- i. Operators for each of the items of equipment listed above
  - ii. One laborer

Approval is being requested to set up a cost code for this work and to start executing it immediately as described above.

**Lafayette Contractors, LLC**

Prepared by: William Rowles \_\_\_\_\_X\_\_\_\_\_  
Approved: John Amerling \_\_\_\_\_X\_\_\_\_\_  
Approved: Dan Chipman \_\_\_\_\_X\_\_\_\_\_ *DC*  
Approved: Charles Miller \_\_\_\_\_X\_\_\_\_\_

**New York Strategy Group, LLC**

Approved: Emad Hanna and/or Rich Kahn \_\_\_\_\_

**Action:**

- Approved
- Approved as noted
- Rejected

\_\_\_\_\_  
Jeffrey Epstein

**From:** William Rowles [REDACTED]  
**To:** Charles Miller  
**Date:** Thursday, January 24, 2008 9:34:36 AM  
**Subject:**

Charles -

Emad would like your approval on the following payment requests:

1. Alain Gifford (equipment lease agreement for on island rental of a dump truck with operator) - three weeks @ \$2600 per week = \$7,800 *O.K. ac - 1/27/08*
2. Gidden Electric - deposit check for \$7,457.25 for materials for the electrical duct bank at the batch area per the approved budget. *O.K. ac - 1/27/08*
3. Payment of \$5,905.00 to Hohmann and Barnard for the purchase of 2000 lft of stainless steel dovetail anchor slots for the office foundation *O.K. ac - 1/27/08*

William Rowles

Lafayette Contractors, LLC  
6100 Red Hook Quarter A2-7  
St. Thomas, VI 00802

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