

AMERICAN YACHT HARBOR & MARINA
6100 Red Hook Quarters #2
St. Thomas, USVI
CBRE File No. 07-396OR-0510



Self Contained Appraisal Report

Prepared for:

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AND

Cassandra P. Webster-Hodge
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St. Thomas, VI 00801

VALUATION & ADVISORY SERVICES

CBRE
CB RICHARD ELLIS

June 30, 2007

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717 Fifth Avenue, 18th Floor
New York, NY 10022

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Assistant Vice President
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St. Thomas, VI 00801

RE: Appraisal of American Yacht Harbor & Marina
6100 Red Hook Quarters #2
St. Thomas, County, USVI
CBRE File No 07-396OR-0510

Dear Ms. Webster-Hodge:

At your request and authorization, CBRE has prepared an appraisal of the market value of the referenced property and presented our analysis in the following Self Contained Appraisal Report.

The subject is an existing mixed use retail/office/marina property that was developed as it is now in 1992 and situated adjacent to a 2.12-acre upland site and 3.20-acre submerged land in Red Hook, St. Thomas, USVI. The majority of the property is submerged land owned by the St. Thomas Coastal Zone Management Commission and assigned to the current owners of the marina. The submerged land area is located along the southeastern boundary of the upland site. Currently the property is operated as a mixed use property including retail and office on the landside site and a marina facility, with 130 dock slips, fuel docks, in-dock fueling and dock master's office. Of the 130 slips, 25 slips known as P Dock are leased to the owner's of American Yacht Harbor via a management agreement. The subject is more fully described, legally and physically within the enclosed report.

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Exposure Time	Value Conclusion
As Is	Leased Fee/Leasehold Interest	June 19, 2007	6 Months	\$21,000,000

Compiled by CBRE

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI Regulations.

The report is for the sole use of the client; however, client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by CBRE or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



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CERTIFICATION OF THE APPRAISAL

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal, as well as the requirements of the State of Florida.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of the report, Buddy R. Urban, MAI and James E. Agner, MAI have completed the requirements of the continuing education program of the Appraisal Institute.
11. Buddy R. Urban, MAI has and James E. Agner, MAI has not made a personal inspection of the property that is the subject of this report.
12. Donna Urban provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE. Although employees of other CBRE divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy are maintained at all times with regard to this assignment without conflict of interest.


Buddy R. Urban, MAI
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SUBJECT PHOTOGRAPHS



TYPICAL VIEW OF THE RETAIL/OFFICE PORTION OF THE SUBJECT



TYPICAL VIEW OF THE SUBJECT MARINA

SUMMARY OF SALIENT FACTS

Property Name	American Yacht Harbor & Marina	
Location	6100 Red Hook Quarters #2, St. Thomas, USVI	
Assessor's Parcel Number	1-07702-0134-00 1-07702-0133-00 1-07702-0135-00	
Property Type	Retail/Office/Marina	
Highest and Best Use		
As Though Vacant	Retail/Office/Marina	
As Improved	Retail/Office/Marina	
Property Rights Appraised	Fee Simple	
Land Area (Landside)	2.12 AC	92,347 SF
Submerged Land Area	3.20 AC	139,392 SF
Improvements		
Number of Buildings - Retail/Office	6	
Number of Dock Slips	130	
Net Rentable Area - Retail/Office	47,344 SF	
Site Amenities	Fuel Dock, In-dock Fueling, Dock Master's Office, Retail & Restuarants	
Year Built	1992	
Condition	Average	
Estimated Exposure Time	9 Months	
Financial Indicators		
Stabilized Occupancy	80.0%	
Stabilized Average Wet Slip Rate/Foot	\$27.00	
Income Growth Rate	3.0%	
Expense Growth Rate	3.0%	
Going-In Capitalization Rate	9.00%	
Terminal Capitalization Rate	9.50%	
Discount Rate	11.50%	

Stabilized Operating Data	Total	Per Slip
Total Revenue	\$6,626,402	\$50,972
Operating Expenses	\$4,730,646	\$36,390
Expense Ratio	71.39%	
Net Operating Income	\$1,895,756	\$14,583
VALUATION		
Sales Comparison Approach	\$21,200,000	\$163,077
Income Capitalization Approach	\$21,000,000	\$161,538

CONCLUDED MARKET VALUE

Appraisal Premise	Interest Appraised	Date of Value	Value
As Is	Leased Fee/Leasehold Interest	June 19, 2007	\$21,000,000

Compiled by CBRE

SPECIAL ASSUMPTIONS

The portion of the value attributed to the marina is based on an approved permit from the Coastal Zone Management Commission. Operation of the marina would not be possible if the permit were not in place or available to the marina operator. As such, our value is assumes the permit will continue to be renewed and the existing operations not be interrupted or halted.

The subject property is currently granted an exemption from real estate taxes through December 31, 2011. The exemption was granted via the Economic Development Commission in an effort to promote development and/or redevelopment in the Red Hook area. Our value assumes the exemption will be extended after the current exemption expires and that the subject will remain 100% real estate tax free.

TABLE OF CONTENTS

CERTIFICATION OF THE APPRAISAL.....	i
SUBJECT PHOTOGRAPHS.....	ii
SUMMARY OF SALIENT FACTS.....	iii
TABLE OF CONTENTS.....	v
INTRODUCTION.....	1
AREA ANALYSIS.....	6
NEIGHBORHOOD ANALYSIS.....	11
SITE ANALYSIS.....	15
IMPROVEMENT ANALYSIS.....	19
ZONING.....	24
TAX AND ASSESSMENT DATA.....	25
HIGHEST AND BEST USE.....	26
APPRAISAL METHODOLOGY.....	29
SALES COMPARISON APPROACH.....	30
INCOME CAPITALIZATION APPROACH.....	40
RECONCILIATION OF VALUE.....	77
ASSUMPTIONS AND LIMITING CONDITIONS.....	78
ADDENDA	
A Glossary of Terms	
B Additional Photographs	
C Improved Marina and Retail/Office Sales	
D Competitive Marinas and Retail/Office Rentals	
E Historical Operating Statements	
F CZM Permits	
G Legal Description	
H Engagement Letter	
I Qualifications	

INTRODUCTION

PROPERTY IDENTIFICATION

The subject property consists of a fully developed marina currently operating as American Yacht Harbor & Marina, as well as 47,344 square feet of retail and office space situated on the landside portion of the site. The subject's street address is 6100 Red Hook Quarters #2, in St. Thomas, USVI.

OWNERSHIP AND PROPERTY HISTORY

Title to the upland portion of the property is currently vested in the name of IGY-AYH St. Thomas Holdings, LLC, who acquired title to the property in January 2007, as recorded in the St. Thomas/St. Johns Deed Records. The submerged land is currently under the ownership of the Coastal Zone Management Commission and leased to IGY-AYH St. Thomas Holdings, LLC through September 14, 2010 via an assignment under a Coastal Zone Management Permit (CZM). The current lease began on September, 2000 with a ten year term. Renewal of the CZM permits is not prohibitive and will likely be granted upon expiration of the current permit. The total consideration for the January 2007 transaction was \$25,500,000. The subject was part of a larger purchase of four marinas properties in the Caribbean. The seller was Sun Resorts, which owned the subject outright and various interests in the other three marinas. The sale price is slightly higher than our value estimate, which could be the result of allocated costs of the portfolio sale. Other than that noted herein, there has been no other ownership transfer of the property during the previous three years. As of the date of value, the subject is not being marketed for sale.

RELEVANT DATES

The following table illustrates the various dates associated with the valuation of the subject property:

RELEVANT DATES	
Date of Report:	June 30, 2007
Date of Inspection:	June 19, 2007
Date of Value	
As Is	June 19, 2007
Compiled by CBRE	

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the leasehold interest in the subject property. The current economic definition agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

PREMISE OF THE APPRAISAL

The premise of this appraisal valuation is “as is” and leased fee/leasehold interest on the date of value.

TERMS AND DEFINITIONS

The Glossary of Terms in the Addenda provides definitions for terms that are, and may be used in this appraisal.

INTENDED USE AND USER OF REPORT

This appraisal is to be used for internal decision making by the client, Banco Popular Virgin Islands.

PROPERTY RIGHTS APPRAISED

The interest appraised represents the leased fee/leasehold estate.

SCOPE OF WORK

The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied, all based upon the following problem-identifying factors stated elsewhere in this report:

- Client
- Intended use
- Intended user
- Type of opinion

¹ Office of Comptroller of the Currency (OCC), 12 CFR Part 34, Subpart C – Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002), 177-178. This is also compatible with the RTC, FDIC, FRS and NCUA definitions of market value as well as the example referenced in the *Uniform Standards of Professional Appraisal Practice (USPAP)*.

- Effective date of opinion
- Relevant characteristics about the subject
- Assignment conditions

This appraisal of the subject has been presented in the form of a Self-Contained Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. That is, this report incorporates, to the fullest extent possible, practical explanation of the data, reasoning and analysis that were used to develop the opinion of value. This report also includes thorough descriptions of the subject and the market for the property type. CBRE completed the following steps for this assignment:

Extent to Which the Property is Identified

CBRE collected the relevant information about the subject from the owner (or representatives), public records and through an inspection of the subject. The property was legally identified through its postal address, assessor's records and legal description. Economic characteristics of the subject were identified via an analysis of a recent rent roll for both the marina and retail/office space and historical operating statements.

Extent to Which the Property is Inspected

CBRE inspected both the interior and exterior of the subject, as well as its surrounding environs on the effective date of appraisal.

Type and Extent of the Data Researched

CBRE reviewed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process. This process included interviews with regional and/or local market participants, available published data, and other various resources. CBRE also conducted regional and/or local research with respect to applicable tax data, zoning requirements, flood zone status, demographics, income and expense data, and comparable listing, sale and rental information.

Type and Extent of Analysis Applied

CBRE analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. Approaches to value used include the Sales Comparison Approach and the Income Approach. The steps required to complete each approach are discussed in the methodology section. CBRE then correlated and reconciled the results into a reasonable and defensible value conclusion, as defined herein. A reasonable exposure time and marketing time associated with the value estimate presented has also been concluded.

SPECIAL APPRAISAL INSTRUCTIONS

There have been no special appraisal instructions for this assignment.

EXPOSURE/MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time period in which the subject property could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historic analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. It is different for various types of real estate and under various market conditions.

A discussion of an appropriate exposure/marketing time estimate for the subject property is presented in the following sections.

In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales used in this appraisal;
- marketing time information from the *CBRE National Investor Survey*; and
- the opinions of market participants.

The following table presents the information derived from these sources.

EXPOSURE TIME INFORMATION		
Data Source	Exposure Time (Months)	
	Range	Average
Strip Centers		
Class A	3.0 - 12.0	6.6
Class B	6.0 - 12.0	7.8
Class C	6.0 - 12.0	9.0
Local Market Professionals	3.0 - 9.0	6.0
CBRE Estimate	9 Months	
Source: <i>CBRE National Investor Survey</i>		

The *CBRE National Investor Survey* does not have a classification for marinas; therefore we have chosen the asset class most similar to the ownership position in the subject site. In addition to the survey data, we have also reviewed the assumptions and conclusions reached in the Valuation section of this report, particularly the income estimates and rates of return. Based on these analyses, we have concluded an exposure/marketing time of 9 months or less would be considered reasonable for the subject property.

This exposure/marketing time reflects current economic conditions, current real estate investment market conditions, the terms and availability of financing for real estate acquisitions, and property and market-specific factors. It assumes that the subject property is (or has been) actively and professionally marketed. The marketing/exposure time would apply to all valuation premises included in this report.

AREA ANALYSIS



LOCATION

THE U.S. US VIRGIN ISLANDS

General Data – U.S. US Virgin Islands

The U.S. US Virgin Islands, formed by the islands of Saint Croix, Saint John and Saint Thomas and several islets, were acquired by the United States from Denmark in 1917 for military purposes. This group of 3 islands and about 50 islets, most of which are uninhabited, lie in the Lesser Antilles chain of the West Indies, east of Puerto Rico and between the Caribbean Sea and the Atlantic Ocean approximately 1,000 miles southeast of Miami. The three islands total an area of 133 square miles.

The islands were first administered by the U.S. Navy, and in 1931 came under the administration of the U.S. Department of the Interior. Currently, local government organization is derived from the U.S. Congress under the revised Organic Act of 1954, which declared the islands to be an unincorporated territory of the United States. Some decision-making power still rests with the U.S. Congress and Federal agencies.

The temperature in the US Virgin Islands ranges from 70-90 degrees year-round, with relatively low humidity. Prolonged periods of rain are rare, but the islands are subject to occasional hurricanes.

The US Virgin Islands have no rivers, streams or lakes. The islands are of volcanic origin and have mainly a hilly topography

Population

The population of the US Virgin Islands had increased 7% from 1990 to 2000, the most current data available, from 101,809 habitants in year 1990 to 108,612 habitants in year 2000. The sharp rise in population from 1990 to 2000 was followed by a similar increase in the number of housing units.

The principal industries of the US Virgin Islands are tourism and manufacturing. Between 1970 and 1990, tourist expenditures increased more than 30% and now are estimated to be \$500 million annually.

The government of the US Virgin Islands conducts a tax incentive program to encourage foreign capital investments and the establishment of new industries. Special tax incentives on worldwide exports have enticed over 2,500 foreign sales corporations to be established. This has helped spur a related growth in financial service industries taking advantage of the US Virgin Islands good infrastructure, modern communications, excellent transportation links and U.S. currency and postage

Government

Under legislation passed in 1968, the US Virgin Islands have had a democratically elected form of government since 1970. Prior to 1970, the Governor of the US Virgin Islands was appointed to by the president of the United States and reported to the Secretary of the Interior under the territory's 1954 revised Organic Act.

Internal affairs are under the jurisdiction of an elected Governor, who together with the Lieutenant Governor is elected for a four-year term. A 15-member unicameral Legislature is elected for a two-year term. The legislative consists of seven senators from St. Croix, seven from St. Thomas, and one senator-at-large who must reside in St. John.

The Member of Congress from the US Virgin Islands possesses the same powers and privileges as Representatives from the States, with the exception of voting on the House floor.

Employment

The main employment sources in the U.S.V.I. are tourism and local government. The following table and graphic show the employed civilian population of the U.S.V.I. as 2000 as per the 2000 Census of the U.S. Census Bureau.

Industry Employment: U.S.V.I. 2000

Industry Group	Average Employment Level	%
Agriculture, forestry, fishing and hunting, and mining	324	0.70%
Construction	4900	10.52%
Manufacturing	2754	5.91%
Wholesale trade	912	1.96%
Retail trade	6476	13.91%
Transportation and warehousing, and utilities	3321	7.13%
Information	931	2.00%
Finance, insurance, real estate, and rental and leasing	2330	5.00%
Professional, scientific, management, administrative, and waste manage	3058	6.57%
Educational, health and social services	6742	14.48%
Arts, entertainment, recreation, accomodation and food services	7351	15.79%
Other services (except public administration)	2535	5.44%
Public administration	4931	10.59%
All Industries	46565	100.00%

THE ISLAND OF SAINT THOMAS***Geographic Location and Physical Environment***

The appraised property lies at the Red Hook Quarter #2 in the southeastern part of the island of Saint Thomas, about 20 miles east of the Charlotte Amalie Town, Capital of the U.S.V.I. Saint Thomas lies approximately 1,000 miles southeast of Miami between the Atlantic Ocean and the Caribbean Sea. It has an area of 32 square miles and a mostly hilly topography.

There are several major roads servicing Saint Thomas. Route 30 is the major road of Saint Thomas, which connects the Fortuna Community in the east with the airport in the southwest and with the town of Nadir in the eastern section of the island passing through Charlotte Amalie. Other major roads are 32, 33, 35, 38 and 40. The Cyril E. King Airport lies at the southwest section of the island and its main carrier is American Airlines. Main cruise ship and ferry docks lie at Long Bay in the Charlotte Amalie town at the south section of the island.

Government

The administrative political unit is the Government of the United States US Virgin Islands. A Governor and a Lieutenant Governor form the executive body. A unicameral 15-member legislative is the law-making body. There are 14 branch departments administered by commissioners appointed by the governor and approved by the Legislature.

The Planning and Natural Resources Department is responsible for the development of land use and urban development policy and regulations in Saint Thomas. A zoning code classifying and regulating uses, densities and constructions is currently in effect. The enforcement and management of the land use policies is also the function of the Planning and Natural Resources Department.

Population and Social Trends

As per the 2000 Census of Population, the total population of Saint Thomas was 51,181 persons. Of the total population 49,263 persons (96%) lived in urban areas and 1,918 (4%) in rural areas.

There are a total of 19,458 households and 12,378 families in Saint Thomas as of 2000. The average household and family sizes for 2000 were 2.60 and 3.32.

Saint Thomas counts with public and private schools. Higher education options include a campus of the University of the US Virgin Islands.

Economy

As of 1999, the median household income for Saint Thomas was \$26,893, higher than the U.S.V.I. median household income for the same period (\$24,704). The population growth has fueled the increased demand for residential, commercial and industrial developments.

Today, Saint Thomas's main economic sectors are tourism, service and retail. Average employment for calendar 2000 was 24,181 persons. The following table shows Saint Thomas' average employment by industry category for 2000.

Industry Employment: Saint Thomas 2000		
Industry Group	Average Employment Level	%
Agriculture, forestry, fishing and hunting, and mining	133	0.55%
Construction	2045	8.46%
Manufacturing	518	2.14%
Wholesale trade	536	2.22%
Retail trade	3924	16.23%
Transportation and warehousing, and utilities	2038	8.43%
Information	551	2.28%
Finance, insurance, real estate, and rental and leasing	1185	4.90%
Professional, scientific, management, administrative, and waste manage	1598	6.61%
Educational, health and social services	3160	13.07%
Arts, entertainment, recreation, accomodation and food services	4329	17.90%
Other services (except public administration)	1356	5.61%
Public administration	2808	11.61%
All Industries	24181	100.00%

As is reflected in the table the industry groups contributing more to the island employment level are arts-entertainment-recreation-food, retail trade and public administration. In 2000, 17.90% of the total employment was in the arts-entertainment-recreation-food sector, 16.23% in retail trade and 11.61% in the public administration category.

Urban Growth Trend

St. Thomas had followed a sectorial urban growth trend. Most of the urban growth has followed government and military built infrastructure and tourist developments. There were a total of 24,030 housing units in Saint Thomas as of 2000. Of the total number of units, 23,083 were urban units and 947 rural units. About 81% of the units (19,458) were occupied and 19% were vacant (4,572). Of the occupied housing units about 41% (8,048) were owner occupied and about 59% (11,410) were rented units. The median age of the housing units is 25 years as of 2000. As the figures reveal Saint Thomas is predominantly a housing rental market.

St. Thomas' retail and institutional activities have historically taken place around its traditional core towns. There are numerous standalone retail and office buildings within the Charlotte Amalie core urban center and along the principal roads and avenues. The Havensight commercial area and shops along the boulevards and alleys of the Charlotte Amalie district cater mostly the cruise ship tourist population. Red Hook has two retail centers, American Yacht Harbor and Red Hook Plaza. Adjacent to the east side of the Red Hook Plaza is a new retail/office development under construction. This center is known as East End Plaza and will contain about 72,000 square feet of retail and office. According to the leasing agent, the center has secured two banks, several fast food restaurants and several economic groups moving from established business in Charlotte Amalie. Rents are quoted at \$50 to \$60 per square foot with a pass through of \$5.00, excluding real estate taxes and insurance. The center has applied for an exemption of real estate taxes; however, it has not yet been granted. The leasing agent indicated pass-throughs would increase by \$3.00 per square foot if the exemption is not granted.

In general, real estate values and rents are expected to remain at the current levels, which is proportionate to the area economic growth. Rental rates have not changed significantly in a number of years, although in centers in the Red Hook area, rents have increased as the area attracts more attention from businesses wanting to move from the central business district. Further, economic incentives offered to new developments, or developments planning significant capital improvements has also had a positive effect on rental rate growth in Red Hook.

NEIGHBORHOOD ANALYSIS



LOCATION

The neighborhood is located on the island of St. Thomas and is considered a suburban location. The city of Red Hook is located in southeastern portion of the island, about 20 mile east of the Charlotte Amalie Business District. The subject property lies within the Red Hook, Quarter #2, which lies within the east portion of the neighborhood.

BOUNDARIES

The neighborhood boundaries are detailed as follows:

<i>North:</i>	Highway 38
<i>South:</i>	Vessup Bay
<i>East:</i>	Atlantic Ocean
<i>West:</i>	Highway 32

LAND USE

Land uses within the subject neighborhood consist of a mixture of commercial and residential development. The immediate area surrounding the subject consists of the major commercial developments in Red Hook. The ferry dock for the connection to St. John is adjacent to the east line of the subject and is a major generator of tourist traffic for the area. The majority of the single-family residential development within a one mile radius of the subject may be described as rural homes in the \$100,000 to over \$1,000,000 price range for homes on the waterfront. The area is somewhat remote and interior subdivision roads are one-lane asphalt paved facilities. The topography of the subject area is generally sloping, with numerous properties built with the terrain incorporated in to the design. Most of the single-family residences appear to have been constructed over twenty years ago and are generally in average to good condition.

GROWTH PATTERNS

Growth patterns on the island generally follow the tourist industry and concentrate mainly in the Charlotte Amalie and Havensight areas, west of the subject. As mentioned, the Red Hook area houses one of the ferries used for inter-island transportation to and from St. Johns and Tortola, BVI. Cowpet Bay, just south of Red Hook is an upscale residential area featuring water views and frontage. In general, the growth patterns of St. Thomas are tied to the cruise lines and tourist, but also depend heavily on improvements made by the local government in terms of roads, utility services and other municipal services. There is limited vacant developable commercial land available; however, there appears to be ample vacant residential land. In most cases, the residential land is along the slopes of the mountains and is difficult to develop. Most sites that have been developed are developed with the improvements on the high side of the lot, affording the best views possible.

ACCESS

Primary access to the subject neighborhood is provided by Highway 30 to Highway 32. Highway 30 and Highway 32 are part of the circular highway around the island. The highway numbering changes several times as it traverses the island; however, Highway 30 is the southern most and busiest portion. Highway 30 provides access to and from the Cyril E. King Airport, Charlotte Amalie and Havensight, the predominant developments on the island. Highway 32 provides access to Red Hook and more or

less forms a circle from Highway 30 to the west as Highway 38 further north and west. For the most part, these highways are two lane asphalt paved facilities with no shoulder.

The commute to the Charlotte Amalie Business District from the subject neighborhood is about thirty minutes. The drive to the Cyril E. King Airport takes about forty minutes. The airport provides service to American Airlines and several smaller airlines.

CONCLUSION

The neighborhood appears to be predominately rural residential in nature with the American Yacht Harbor and Red Hook Plaza, for the most part, comprising the commercial developments in the area. Many homes are second homes for owners and most take advantage of the elevated views of the Caribbean Sea and the surrounding countryside. Smaller communities are located to the west of Red Hook and comprise of older residential homes with free-standing commercial facilities were demand warrants.

The subject property is a 2.12-acre landside site with a southerly view of the Vessup Bay. The view is unobstructed. Very little new development was noted in the immediate area; however, there is a new retail/office development under construction just east of the subject across Red Hook Road (Highway 32). Red Hook's interior roads are one-lane asphalt paved, with some being gravel paved. In general, the immediate area is rural in nature with supporting facilities concentrated around the subject and the ferry docks. Property values appear to be relatively constant.

SITE MAP



SITE ANALYSIS

The following chart provides a summary of the salient features relating to the subject site.

SITE SUMMARY		
Physical Description		
Gross Site Area (Fee Ownership)	5.32 Acres	231,739 Sq. Ft.
Net Site Area (Fee Ownership)	2.12 Acres	92,347 Sq. Ft.
Submerged Land Area (Leasehold Interest)	3.20 Acres	139,392 Sq. Ft.
Primary Road Access	Red Hook	
Zoning District	W-1, Waterfront - Pleasure District	
Flood Map Panel No.	780000 0020E	
Flood Zone	A	
Source: Various sources compiled by CBRE		

LOCATION

The subject is on the north side of the Vessup Bay, and the south side of Red Hook Road (Highway 32), adjacent to the west side of the St John/Tortola Ferry landing. The street address is 6100 Red Hook Quarters #2, Red Hook Quarter #2, USVI.

ASSESSOR'S PARCEL NUMBER

The Tax Assessor's parcel numbers for the upland portion of the subject are 1-07702-0134-00, 1-07702-0133-00 and 1-07702-0135-00. The submerged portion of the subject is owned by the Coastal Zone Management Commission and is not subject to ad valorem taxes. Further, the landside or upland portion of the subject site is exempt from real estate taxes through December 31, 2001, as a result of an Economic Development Commission (EDC) tax exempt status. This status was granted based on the need for development of properties in the Red Hook area and granted to the subject property due to the renovations and upgrades to the improvements. According to the general manager, the exemption will likely be granted again upon the expiration of the current exemption; however, he indicated the exemption may not be 100%, but has no way to determine the likely percentage of the exemption. Apparently the exemption will depend on the amount of capital improvements to the property and could conceivably remain at 100%. We have assumed the current exemption will be extended at the current 100% exemption rate.

LAND AREA

The landside portion of the site contains 2.12 acres or 92,347 square feet of land. The submerged land contains 3.20 acres or 139,392 square feet and is adjacent to the southern boundary of the landside tract. There is no unusable, excess or surplus land area.

SHAPE AND FRONTAGE

Both portions of the subject site are irregular in shape. Only the landside portion of the subject has direct access to public roadways.

INGRESS/EGRESS

Ingress and egress is available to the site via Red Hook Road (Highway 32), just west of the St. John/Tortola Ferry Landing.

Red Hook Road, at the subject property, is a major east/west street that is improved with one lane of traffic in each direction. Street improvements include asphalt paving, open ditches for drainage and no shoulders. Street parking is permitted, and the traffic flow is generally congested.

Please refer to the prior site map for the layout of the street that provide access to the subject property

TOPOGRAPHY AND DRAINAGE

The portion of the landside site immediately adjacent to Red Hook Road is generally level and at street grade. The topography then slopes significantly towards the southern boundary and Vessup Bay. The topography of the site is not seen as an impediment to the development of the property. During our inspection of the site, we observed no drainage problems and assume that none exist. The southern 3.20 acres of the site is submerged land owned by the government.

SOILS

A soil analysis for the site has not been provided for the preparation of this appraisal. In the absence of a soil report, it is a specific assumption that the site has adequate soils to support the highest and best use.

EASEMENTS AND ENCROACHMENTS

A title policy for the property has not been provided for the preparation of this appraisal. Based on our visual inspection and review of the site plan, the property does not appear to be adversely affected by any easements or encroachments. It is recommended that the client/reader obtain a current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

ACCESS AGREEMENTS

There are no known access agreements that may affect the subject's marketability. Vehicular parking at the subject is a major negative aspect of the site, as tenants occupying the retail/office space must

pay for parking, with only a few spaces available in the front of the buildings for patron parking. Tenant parking is available in an under-building parking garages below Buildings B and C.

COVENANTS, CONDITIONS AND RESTRICTIONS

The subject property is subject to the restrictions within the Submerged Land Lease administered by the Coastal Zone Management Commission. Without this lease, the subject property would not be allowed to operate, as it defines the lease area, specific uses of the property, lease rate, and expense responsibility. The lease is included in the Addenda. Further, the landside portion of the site is restricted by zoning from St. Thomas.

UTILITIES AND SERVICES

The site is within the jurisdiction of St. Thomas and is provided municipal services, including police and fire protection. Electricity is supplied by WAPA (Water & Power Authority), while sewer is provided by the Nazareth Water Treatment facility. Water is furnished on-site via a 25,000 gallon desalination plant owned and operated by the subject. All utilities are available to the site in adequate quality and quantity to service the highest and best use as if vacant and as improved. Electricity and water are charged to the docks as metered. Water is charged to the retail/office tenants based on metered usage as well. Trash removal is also charged to the retail/office tenants, typically on a fixed monthly rate as predetermined by the type of use in the leased space.

FLOOD ZONE

According to flood hazard maps published by the Federal Emergency Management Agency (FEMA), the site is within Zone A, as indicated on the indicated Community Map Panel No. 780000 0020E.

FEMA Zone A: Special flood hazard areas subject to inundation by the 100-year flood. Because detailed hydraulic analyses have not been performed, no base flood elevations or depths are shown. Mandatory flood insurance purchase requirements apply.

ENVIRONMENTAL ISSUES

CBRE has not observed, yet is not qualified to detect, the existence of potentially hazardous material or underground storage tanks that may be present on or near the site. The existence of hazardous materials or underground storage tanks may have an affect on the value of the property. For this appraisal, CBRE has specifically assumed that the property is not affected by any hazardous materials and/or underground storage tanks that may be present on or near the property.

ADJACENT PROPERTIES

The adjacent land uses are as follows:

North: Red Hook Plaza
South: Vessup Bay
East: St. John/Tortola Ferry Landing
West: Old commercial development (appears to be closed)

CONCLUSION

The site has a remote location in terms of proximity to the primary tourist attractions and destinations, but afforded good access and visibility from the roadway frontage. It does have good access to the fishing grounds in the Atlantic Ocean, which is a positive consideration for a marina operation in limiting the amount of fuel boat owners must use to and from the best fishing grounds in the Atlantic. The size of the site is typical for the use, and there are no known detrimental uses in the immediate vicinity. The submerged land is subject to wave action from the open waters of Vessup Bay and on-site traffic and parking is considered poor. The parking factor has a negative impact on maximizing the income potential of the subject.

IMPROVEMENT ANALYSIS

The capacity (in terms of length), water ingress and egress, pedestrian access, quality of dockage and site improvements (as well as any other amenities) has a direct influence on its marketability and operating success of a marina. Likewise, on-site parking, ease of access and security are paramount for retail success. Design and functionality can affect the operations and profitability, also. These factors and how they affect the subject are analyzed and presented below.

GENERAL DESCRIPTION

The following chart presents a summary of the various components of the proposed subject improvements.

IMPROVEMENT SUMMARY		
Type of Docks	Concrete pilings, wood decking, fixed	
Dock Size	5,511 LF	
Retail/Office Net Rentable Area	47,344 SF	
Number of Retail/Office Buildings	6	
Year Built	1992	
Site Amenities	Fuel Dock, In-dock Fueling, Dock Master's Office, Retail & Restuarants	
Parking Type	Surface and under building garage	
Slip Breakdown	No. of Slips	% of Total
A Dock	23	17.7%
B Dock	26	20.0%
C Dock	20	15.4%
D Dock	26	20.0%
E Dock	10	7.7%
P Dock	25	19.2%
Total/Average:	130	100.0%
Source: Various sources compiled by CBRE		

Plans and specifications were not provided for the preparation of this appraisal. The following is a description of the subject improvements and basic construction features derived from discussions with the developer, a limited site plan and CBRE's physical inspection.

YEAR BUILT

Prior to the current development of the subject site, the property was being used as a marina. The subject property as it is now was constructed in 1992.

DESIGN AND LAYOUT

The subject property consists of two primary uses, retail/office and a marina. The retail/office portion is on the landside portion of the site, as well as the dock master's office. The boat slips extend from the southern edge of the landside site into Vessup Bay. Primary vehicular ingress/egress is via four curb cuts along Red Hook Road. Parking, although limited, is available along the front of the retail/office improvements, as well as a parking garage under Building B and C. Parking in the garage is for retail/office tenants and in some cases for an additional fee. Water ingress/egress is via a channel cut from the Atlantic Ocean known as Vessup Bay. The channel depth does not appear to affect the use of the subject by larger vessels with drafts in excess of 4'.

The basic construction features are summarized as follows.

FOUNDATION

The foundation of the building improvements is reinforced concrete footings and columns, while the foundation of the dockage is concrete pylons.

CONSTRUCTION COMPONENTS

The frame of the building improvements is wood or steel, with the exterior walls being wood siding. The deck areas are wood planks atop the concrete pylons.

DOCK MASTER'S OFFICE

The dock master's office area is located under the decking of Building B & C and faces the marina. This building is constructed of wood framing and plaster finish. The dock master's office is located just north of C Dock.

RETAIL/OFFICE BUILDINGS

There are six building structures to the north of the marina. Except for Building F, these buildings are two-story structures constructed with wood or steel framing and plaster on the lower level exterior walls. The upper levels have wood siding on the exterior walls. Roof covering is galvanized metal and most buildings have an overhang with wood decking for pedestrian traffic and access to the upper level. Access to the upper levels is via steel framed stairwells, as well as an elevator between Buildings B & C. Building F, located in the northwest corner of the site is a one-story structure at street grade, cantilevering into a second, lower level as the terrain slopes towards the south. This building has a flat roof and is in fair condition. This building houses four tenants, the largest being the East End Café. The lower level is slated for construction of new storage units for slip tenants. Six new storage units have been installed, with another 23 planned for the rest of the lower level. Two of the storage units will be utilized as storage for the marina owner. The cost to complete the new storage

units was estimated by the general manager at \$23,000. This amount was deducted from the value indication in each approach to value.

Interior of the buildings varies depending on the type of business leasing the space. Generally the flooring is wood or concrete over steel or wood decking. Interior walls are generally painted drywall on metal studs, and ceilings are generally suspended acoustical tiles in a grid system. The buildings have central A/C.

DOCKAGE

The marina operation has capability to pump both diesel fuel and gasoline for marina use. Docks A, B & C have in-dock fueling capacity whereby the vessels can be fueled in their own slips without moving to the fuel dock. Other fueling is available at the fuel dock on the south end of A Dock. Diesel storage capacity is 30,000 gallons and gasoline storage is in four newly installed 10,000 gallons underground storage tanks. The tanks are located between Building B and Red Hook Road.

Vessel docks are typically concrete pylons with wood decking. The current configuration is 105 slips within Docks A through E and 25 slips at P Dock. P Dock has driven wood pylons and wood decking. The docks extend southward from landside. According to the general manager, the dockage can accommodate vessels up to 80'; however, the majority of vessels utilizing the marina are less than 50' in length.

ELECTRICAL/WATER

The docks are supplied electrical and water service. Electrical service is 30-amp and 50-amp and is an additional charge above the dockage rates.

LIGHTING SYSTEM

Light standards are strategically placed on the docks to maximize visibility and aid in security.

FIRE PROTECTION

It is assumed the subject has adequate fire alarm systems, fire exits, fire extinguishers, fire escapes and/or other fire protection measures adequate to meet local fire marshal requirements.

SECURITY

The subject currently has patrolled security and is in the process of installing security cameras throughout the marina area, as well as parts of the landside site. The system will have 24-hour recorded coverage.

PARKING

There are surface parking spaces along the front of Buildings B & C, and surface parking behind Buildings A, B & C. Reportedly there are 69 of the open surface parking spaces. Additional parking is available in the parking garage under Building B & C. This garage reportedly has 100 ± parking spaces, many of which are leased to the retail/office tenants. Parking on the subject is typical for developments in the area; however, it is highly congested and appears to be short in the number of spaces available. Street parking creates some additional source of parking, but this fills quickly.

QUALITY AND STRUCTURAL CONDITION

The overall quality of the property is considered to be average for the neighborhood and age. CBRE did not observe any evidence of structural fatigue in the buildings or along the bulkhead/dockage, and the improvements are assumed to be structurally sound for the current occupancy. However, CBRE is not qualified to determine structural integrity, and it is recommended that the client/reader retain the services of a qualified, independent engineer or contractor to determine the structural integrity of the improvements prior to making a business decision.

FUNCTIONAL UTILITY

The design characteristics of the subject property appear to meet modern standards. All of the services provided are considered to feature functional layouts and the overall layout of the property is considered functional in utility. As stated, parking is the only negative aspect.

ADA COMPLIANCE

It appears that all common areas of the project have handicap accessibility. The client/reader's attention is directed to the specific limiting conditions of the appraisal regarding ADA compliance.

ENVIRONMENTAL ISSUES

CBRE has not observed, yet is not qualified to detect, the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation or other potentially hazardous construction materials on or in the improvements. The existence of such substances may have an affect on the value of the property. For the purpose of this assignment, we have specifically assumed that the subject is not affected by any hazardous materials that would cause a loss in value.

DEFERRED MAINTENANCE

The improvements do not suffer significant deferred maintenance issues; however, some rotten soffit and fascia boards were noted during the site visit. These items are considered normal wear and tear and would be addressed under the normal maintenance budget for the property.

ECONOMIC AGE AND LIFE

CBRE's estimate of the subject improvements effective age and remaining economic life is depicted in the following chart:

ECONOMIC AGE AND LIFE	
Actual Age	15 Years
Effective Age	15 Years
MVS Expected Life	45 Years
Remaining Economic Life	30 Years
Accrued Physical Incurable Depreciation	33.3%
Compiled by CBRE	

The overall life expectancy is based upon the improvements being new and a comparative analysis of typical life expectancies reported for facilities of similar construction as published by Marshall and Swift, LLC, in the *Marshall Valuation Service* cost guide. The buildings and marina, as they are developed today, were constructed about 15 years ago and have been repaired/renovated over the years. Use of wood framing and siding on the buildings contributes to the shorter expected life of the improvements. The improvements location along a coastal region would have been better served with concrete block construction. Currently the improvements are in average condition.

CONCLUSION

The improvements are considered to be in average overall condition and are of similar age and location to other marinas in regard to improvement design and layout, but superior in terms of amenities, such as the adjacent retail and restaurants. The location of the marina on Vessup Bay is superior to other marinas further west in that the travel time to open water and the fishing grounds in the Atlantic Ocean is shorter, requiring less fuel. However, the shortage of on-site parking is the most detrimental aspect of the subject's design, but the location offsets this aspect, at least from the marinas standpoint.

ZONING

The following chart summarizes the zoning requirements applicable to the subject:

ZONING SUMMARY	
Current zoning	W-1, Waterfront - Pleasure District
Legally conforming	Yes
Uses permitted	Offices, retail, restaurants, light industrial and marine
Zoning change	Not likely
Category	Zoning Requirement
Maximum Height	3 Stories
Minimum lot size	10,000 SF
Minimum lot width	100%
Front/adj. to street setback	25 Feet
Rear setback	20 Feet
Source: Red Hook Planning	

ANALYSIS AND CONCLUSION

The existing improvements on the upland strip represent a legally conforming use and, if damaged, may be restored without special permit application. The submerged land area of the subject is not classified in the zoning ordinance. It is recommended that local planning and zoning personnel be contacted regarding more specific information that might be applicable to the subject.

TAX AND ASSESSMENT DATA

Real estate on St. Thomas is assessed at 1.25% of 60% of the assessor's estimated "Assessed Value". Assessed Value has been equated to market value less closing costs. The assessment for real estate purposes is made as of January 15th of each year and taxes become delinquent as of August 31st of each year.

The subject's assessed value and taxes are summarized below, and do not include any furniture, fixtures and equipment.

AD VALOREM TAX INFORMATION		
Assessor's Market Value		2007
Real Property	1-07702-0134-00	\$3,478,602
	1-07702-0133-00	868,324
	1-07702-0135-00	1,840,013
Subtotal		\$6,186,939
Assessed Value @	60%	\$3,712,163
Combined Tax Rate	(per \$1,000 A.V.)	12.500000
Gross Taxes		\$46,402
Special Assesment		\$0
Gross Taxes		\$46,402
Total Taxes		\$ 46,402
Source: Assessor's Office		

The subject property has been granted a real estate tax exemption through December 31, 2011. This exemption is 100% of the taxes for the property resulting in \$0.00 real estate taxes. The schedule above reflects the real estate taxes the subject would be responsible for if the exemption were not in effect. It should be noted, the assessed value of the subject has not changed since 2004. According to the general manager of the subject, it is likely the subject will be granted some type of exemption from taxes upon expiration of the current abatement; however, there is apparently not any specific guidelines outlining the requirements necessary to be granted the exemption, nor the amount of an exemption under different scenarios. We have assumed the current exemption would be extended for another 10 years and that the real estate tax expense to the subject will continue to be zero.

Should the current exemption not be in place the effect on value would be minimal, as the retail/office leases are triple net with provisions to pass through operating expenses such as taxes, insurance and CAM. The land on which the marina sits is owner by the government and is not assessed. In all likelihood, only the dock would be assessed and create a minimal operating expense to the subject.

HIGHEST AND BEST USE

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legal permissibility;
- physical possibility;
- financial feasibility; and
- maximum profitability.

Highest and best use analysis involves assessing the subject both as if vacant and as improved.

AS IF VACANT

Legal Permissibility

The legally permissible uses were discussed in detail in the site analysis and zoning sections of this report.

Physical Possibility

The upland portion of the subject consists of a 2.12-acre strip of land along the north side of Vessup Bay. This strip of land lies between the Bay and Red Hook Road and is improved with six retail/office buildings plus the dock master's office. As a stand alone site, this strip of land has several physically possible uses, including retail, office, industrial or residential. This upland strip of land also provides fee simple ownership direct access to the lessee of the submerged land to the south. Of the legally permissible uses, retail, office, industrial or marine related developments would be physically possible on the upland portion of the subject.

Financial Feasibility

The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. As will be discussed in the Income Approach, retail/office developments on St. Thomas, especially those along major thoroughfares are in high demand and occupancy is better than 98% over then center surveyed. In addition, marine related developments with good access to open water, adequate depth and protected dockage are also in high demand. With the exception of the redevelopment of Yacht Haven in Charlotte Amalie, the marina supply has held relatively stable over the past several years. Retail supply has also been relatively stable; however, the new Home Depot center along Highway 38, northeast of Charlotte Amalie and the East End Plaza, across from the St. John/Tortola ferry landing are two examples of newer developments in areas outside of the central business district. As will be demonstrated in the Income Approach section of this report, the marina market in the subject area is generally strong. Development of new marinas properties has not occurred in the past few years due

to coastal zone restrictions. Although there is direct retail/office competition due to come on line in December 2007, within the subject market, there are no new proposed marina projects in the competitive market that will be public facilities. The new retail/office center (East End Plaza) has the highest quoted rates in the Red Hook area. It is unlikely that the tenants targeting the subject or even the Red Hook Plaza would be able to afford the rents being quoted in the new center. As such, the draw from existing tenants at the subject is expected to be minimal; however, the new in coming tenants will create a synergy in the area and provide new business and demand generators for the Red Hook area in general. These factors indicate that it would be financially feasible to complete a new mixed use retail/office/marina project if the site acquisition cost (in this case lease rate) was low enough to provide an adequate developer's profit.

Maximum Profitability

The final test of highest and best use of the site as though vacant is that the use be maximally productive, yielding the highest return to the land. In the case of the subject's upland strip of land, as if vacant, the analysis has indicated that a retail/office use, similar to the existing development would result in the maximally profitable use. Further maximum profitability could be accomplished if the upland development was integrated into a marine oriented development such as the existing marina.

CONCLUSION: HIGHEST AND BEST USE AS VACANT

Based on the information presented above and upon information contained in the Neighborhood Analysis and Income Approach sections, we conclude that the highest and best use of the subject as if vacant, would be a mixed use project with retail, office and marine oriented uses.

AS IMPROVED

Legal Permissibility

As discussed, the subject site's zoning and legal restrictions permit a variety of land uses. The site has been development with retail/office uses as part of a marina development that is a legal, conforming use.

Physical Possibility

The physical characteristics of the subject improvements were discussed in detail in the Improvement Analysis section. Considering the upland strip and the submerged land area, the layout and positioning of the improvements is considered functional for mixed use retail/office/marina use. Other uses may be physically possible; however, this combination maximizes the positive influence of the water frontage and proximity to the Atlantic Ocean and the fishing grounds within 30 miles of the marina.

Financial Feasibility

The financial feasibility of a mixed use property such as the subject is based on the amount of rental revenue and supplemental revenue which can be generated, less operating expenses required to generate that income; if a residual amount existing, then the land is being put to a productive use. As will be indicated in the Income Capitalization Approach section, the subject has a positive net cash flow and utilization of the improvements for mixed use retail/office/marina purposes is considered financially feasible.

Maximum Profitability

The maximum profitable use of the subject as improved should conform to neighborhood trends and be consistent with existing land uses. Although several uses may generate sufficient revenue to satisfy the required rate of return on investment and provide a return on the land, the single use that produces the highest price or value is typically the highest and best use. As shown in the applicable valuation sections, properties that are similar to the subject have continue to be used by marina owners/tenants. None of the comparable facilities have been acquired for conversion to an alternative use. The use of the subject marina is highly restricted by the lease with the government of St. Thomas. Considering the concerns being expressed by the government about decreasing public access to the area waterways, and the desire to enhance development on the Island, it is not likely the subject would be allowed to be used in a private marina operation whereby only residents or members could use the facility. In accordance with the best interest of the boating public and the economic impact on the area, the government would likely prohibit such private uses.

CONCLUSION: HIGHEST AND BEST USE AS IMPROVED

Based on the foregoing, the highest and best use of the property as improved is consistent with the current use, as a mixed use retail/office/marina development.

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

COST APPROACH

The Cost Approach is based upon the proposition the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The Sales Comparison Approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc. or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

INCOME CAPITALIZATION APPROACH

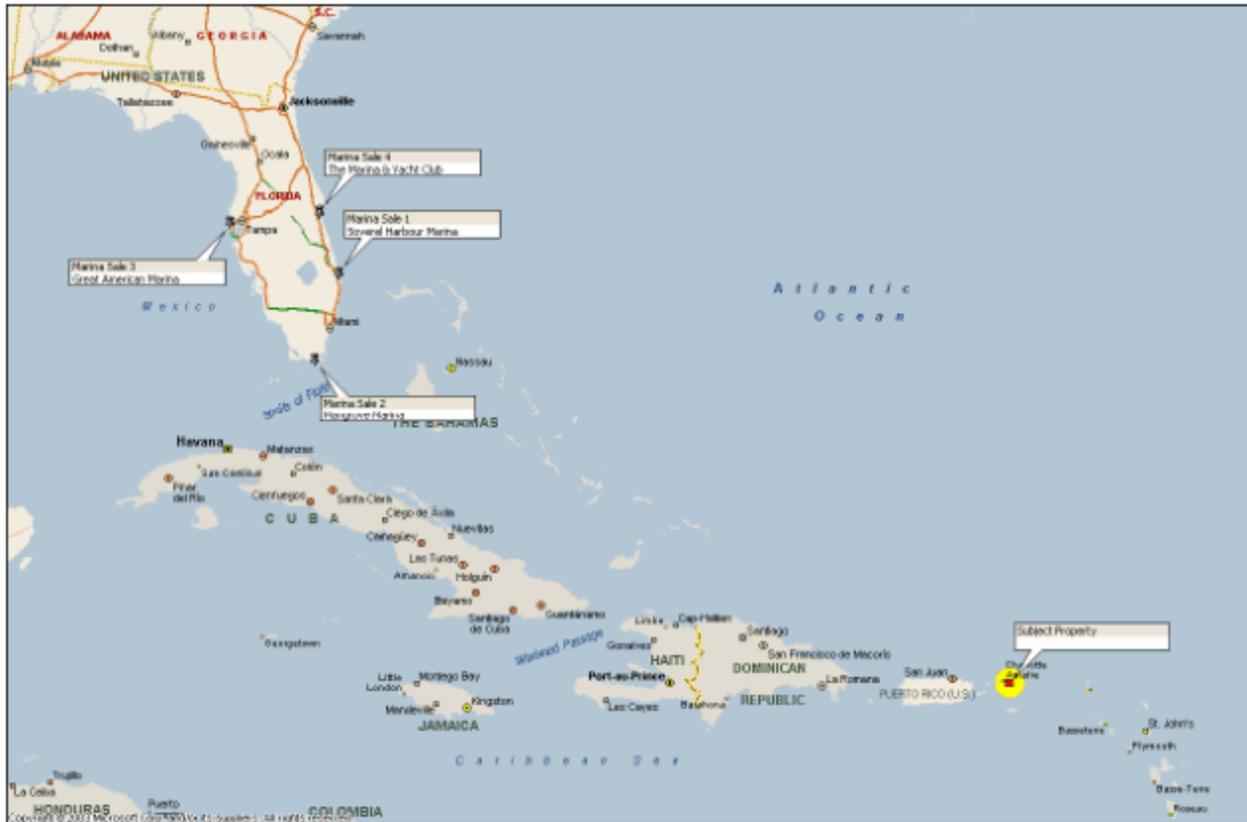
The Income Capitalization Approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the Income Capitalization Approach are direct capitalization and the discounted cash flow (DCF) analysis.

METHODOLOGY APPLICABLE TO THE SUBJECT

In valuing the subject, only the sales comparison and income capitalization approaches are applicable and have been used. The cost approach is not applicable in the estimation of market value of due to age and the associated depreciation.

SALES COMPARISON APPROACH

The following location map and table of marina sales summarizes the comparable data used in the valuation of the subject property. A detailed description of each transaction is included in the Addenda.



SUMMARY OF COMPARABLE APARTMENT SALES

No.	Name	Transaction Type	Date	Year Built	No. of Slips	Actual Sale Price	Adjusted Sale Price ¹	Price Per Unit ¹	OAR
1	Soverel Harbour Marina, Palm Beach Garden, FL	Sale	Jan-05	1987	77	\$10,149,367	\$10,149,367	\$131,810	0.00%
2	Mangrove Marina, Tavernire, FL	Sale	Jul-05	1980	210	\$10,000,000	\$10,000,000	\$47,619	8.89%
3	Great American Marina, South Pasadena, FL	Sale	Feb-06	1985	96	\$10,700,000	\$9,500,000	\$98,958	0.00%
4	The Marina & Yacht Club, Brevard Co.,	Sale	May-06	N/A	110	\$10,000,000	\$10,000,000	\$90,909	0.00%
Subj.	American Yacht Harbor & Marina, Pro St. Thomas, USVI	---	---	1992	---	---	---	---	---

¹ Transaction amount adjusted for cash equivalency and/or deferred maintenance (where applicable)
Compiled by CBRE

The sales utilized represent the best data available for comparison with the subject property. They were selected from our research of comparable improved marina sales within Florida. It should be noted, we uncovered several mixed use sales in the Caribbean that included a marina aspect within the sale property. Other improvements ranged from full resorts with golf courses to marinas with hotels, residential and/or retail/office. These sales ranged in total sale price between \$5.9 million to over \$37.0 million; however, no unit of comparison was apparent. As such, we have utilized marina sales without other improvements for the marina valuation and retail/office sales in St. Thomas and St. John for the retail/office valuation portion of the subject.

ANALYSIS OF IMPROVED MARINA SALES

Marina Sale One

This comparable represents the acquisition a 77-slip marina located at 2385 PGA Boulevard in Palm Beach Gardens, Florida. The marina is located along the north side of PGA Boulevard and the west side of the Intracoastal Waterway (ICW),. The purchase price was \$131,810 per slip and the marina owned the submerged land. The physical characteristics and amenities of this sale were generally similar to the subject property, as the slips and dockage are of similar construction.

In comparison to the subject, this sale was considered superior with respect to location. The comparables location on the ICW in the upscale community of Palm Beach Gardens is superior to the subject's location on the east end of St. Thomas in Red Hook, USVI. An additional downward adjustment was made for the inferior parking at the subject. Overall, this sale was superior in comparison to the subject and a net downward adjustment was warranted to its price per slip indication.

Marina Sale Two

This comparable represents the acquisition a small boat 210-slip marina located at Mile Marker 91.7 Bayside, in Tavernier, Florida. The marina is located north of the Overseas Highway along the north side of Florida Avenue. The purchase price was approximately \$47,619 per slip. The physical characteristics and amenities of this sale were generally inferior to the subject property. Approximately 30 slip were out of service due to damage from a hurricane and the draft in the channel is about 4' to 6', limited the use of the marina by larger vessels. Further, there are fixed bridges at the nearest ocean access point, requiring a longer travel by boat to reach the offshore fishing ground in the Keys.

In comparison to the subject, this sale was significantly inferior with respect to location due to the relatively shallow draft and the fixed bridges at the nearest ocean access point. In addition, the project is located north of the Overseas Highway and somewhat difficult to find. An upward adjustment was warranted for size, as this marina has 210 slip in total as compared to the 130 slips at the subject. This adjustment reflects the economies of scale whereby a smaller property will typically

trade for a higher price per unit than a larger property. Upward condition and quality of construction adjustment were necessary as the sale comparable had several slips damaged and out of service at the time of sale and the overall quality of the marina is inferior to the subject. A downward adjustment was made for the inferior parking at the subject. Overall, this sale was inferior in comparison to the subject and a net upward adjustment was warranted to its price per slip indication.

Marina Sale Three

This comparable represents the acquisition of a small 96-slip marina located at 6810 Gulfport Boulevard, near Tampa, FL. The marina was developed in 1985. The purchase price was approximately \$98,958 per slip based on information from the buyer. It should be noted, the public information of 140 slips and a sale price of \$10,700,000 were found to be incorrect. The physical characteristics and amenities of this sale were generally similar to the subject property.

In comparison to the subject, this sale was generally similar with respect to locational aspects, quality of construction, project amenities and size, but was judged slightly superior in regards to condition and parking. Overall, this sale was slightly superior in comparison to the subject and a net upward adjustment was warranted to its price per slip indication.

Marina Sale Four

This comparable represents the acquisition of a 110-slip marina located on the ICW in Brevard County, Florida. The purchase price was approximately \$90,909 per slip, including an indoor racquetball court, lighted tennis courts, a 5,000 square foot clubhouse and full fitness center. The physical characteristics of this sale were generally similar to the subject property; however, the project amenities are superior.

In comparison to the subject, this sale was inferior with respect to location, but was judged superior in terms of project amenities and parking. The location of the sale is in a less densely populated area and somewhat remote. Overall, this sale was inferior in comparison to the subject and a slight net upward adjustment was warranted to its price per slip indication.

SUMMARY OF ADJUSTMENTS

Based on the foregoing discussions, the following table summarizes the adjustments warranted when comparing each sale to the subject.

MARINA SALES ADJUSTMENT GRID

Comparable Number	1	2	3	4	Subj. Pro Forma
Transaction Type	Sale	Sale	Sale	Sale	---
Transaction Date	Jan-05	Jul-05	Feb-06	May-06	---
Year Built	1987	1980	1985	N/A	1992
No. of Slips	77	210	96	110	130
Actual Sale Price	\$10,149,367	\$10,000,000	\$10,700,000	\$10,000,000	---
Adjusted Sale Price ¹	\$10,149,367	\$10,000,000	\$9,500,000	\$10,000,000	---
Price Per Slip ¹	\$131,810	\$47,619	\$98,958	\$90,909	---
OAR	0.00%	8.89%	0.00%	0.00%	---
Adj. Price Per Slip	\$131,810	\$47,619	\$98,958	\$90,909	
Property Rights Conveyed	0%	0%	0%	0%	
Financing Terms ¹	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	
Market Conditions (Time)	0%	0%	0%	0%	
Subtotal - Price Per Slip	\$131,810	\$47,619	\$98,958	\$90,909	
Location	-25%	50%	0%	15%	
Project Size	0%	10%	0%	0%	
Avg. Unit Size	0%	0%	0%	0%	
Age/Condition	0%	25%	-5%	0%	
Quality of Construction	0%	10%	0%	0%	
Project Amenities	0%	0%	0%	-10%	
Parking	-5%	-5%	-5%	-5%	
Other	0%	0%	0%	0%	
Total Other Adjustments	-30%	90%	-10%	0%	
Indicated Value Per Slip	\$92,267	\$90,476	\$89,063	\$90,909	

¹ Transaction amount adjusted for cash equivalency and/or deferred maintenance (where applicable)
Compiled by CBRE

SALE PRICE PER SLIP CONCLUSION

Based on the preceding discussions of each comparable and the foregoing adjustment analysis, a price per slip indication within the range of Comparable Three and Four was the most appropriate for the subject as these sales required the smallest net adjustment as compared to the subject. The total value of the marina portion of the subject via this method was calculated below.

SALES COMPARISON APPROACH CONCLUSION			
Total Slips	X	Value Per Slip	Indicated Value
130	X	\$89,000	= \$11,570,000
130	X	\$90,000	= \$11,700,000
Indicated Stabilized Fee Simple Value - Marina			\$11,600,000
Less Leased Fee - P Dock			(\$1,360,000)
Indicated Leasehold Interest - Marina			\$10,240,000
Rounded			\$10,200,000
Compiled by CBRE			

LEASED FEE INTEREST

The marina portion of the subject is situated on leased land owned by the government of St. Thomas. The value derived from the comparable sales in the previous discussion result in the fee simple value of the subject; therefore, the leased fee interest must be estimated in order to arrive at the leasehold interest. We have utilized the forward looking lease rate in 2007 of \$122,100 and the capitalization rate (9.0%) used in the Income Approach section to arrive at the value of the leased fee of \$1,356,667, rounded to \$1,360,000. In estimating the value of the leasehold interest in the subject, the leased fee interest was subtracted from the fee simple value estimate derived from the compared sales analysis. The value of the leasehold estate in the marina by the sales comparison approach is \$10,200,000.

The following location map and table of retail/office sales summarizes the comparable data used in the valuation of the subject property. A detailed description of each transaction is included in the Addenda.



SUMMARY OF COMPARABLE RETAIL SALES										
No.	Name	Transaction Type	Date	Year Built	GLA (SF)	Adjusted Sale Price ¹	Price Per SF ¹	Occ.	NOI Per SF	OAR
1	Mongoose Junction II, St. John, VI	Sale	Feb-01	1988	22,000	\$6,900,000	\$313.64	100%	\$0.00	0.00%
2	Wharfside Village, St. John, VI	Sale	Feb-01	1987	29,073	\$8,900,000	\$306.13	100%	\$0.00	0.00%
3	100 Blackbeards Hill, St. Thomas, VI	Listing	Jun-07	1984	8,832	\$2,200,000	\$249.09	100%	\$21.14	8.49%
4	Commercial Bldg. in Havensight, St. Thomas, VI	Listing	Jun-07	1973	3,308	\$695,000	\$210.10	0%	\$0.00	0.00%
Subj. Pro Forma	American Yacht Harbor & Marina, St. Thomas, USVI	---	---	1992	47,344	---	---	100%	---	---

¹ Transaction amount adjusted for cash equivalency and/or deferred maintenance (where applicable)
 Compiled by CBRE

The sales utilized represent the best data available for comparison with the subject property. They were selected from our research of comparable improved marina sales within the Virgin Islands.

ANALYSIS OF IMPROVED RETAIL/OFFICE SALES

Improved Sale One

This comparable represents the acquisition a 22,000 square foot retail center located across from Cruz Bay in St. John, VI. The center targets the tourist industry rather than catering to locals. The sale took place in February 2001 for \$6,900,000 or \$313.64 per square foot. Rents ranged between \$30 and \$45 per square foot on a triple net lease basis.

In comparison to the subject, this sale was considered superior with respect to location. The comparables location on the tourist area of St. John is superior to the subject's location on the east end of St. Thomas in Red Hook, USVI. This sale was superior to the subject in terms of size and a downward adjustment was warranted for this aspect. Overall, this sale was superior in comparison to the subject and a net downward adjustment was warranted to its price per square foot indication.

Improved Sale Two

This comparable represents a 29,073-square-foot neighborhood retail property and is situated on a 1-acre parcel at 4-A Cruz Bay Town, St. John, VI. The improvements were originally constructed in 1987 and were considered in good condition at the time of sale. The exterior walls depict wood & masonry construction components. The parking ratio is considered poor. The property sold in February 2001 for \$8,900,000, or \$306.13 per square foot. Occupancy at the time of sale was 100%. This sale comparable is located on the waterfront and adjacent to the Cruz Bay Ferry Dock. It is considered a premier location for retail shops catering to tourists. The second floor space is currently being renovated and converted to apartments.

The -15% downward adjustment for location reflects this comparable's superior feature with respect to high traffic area and tourist targeted location. Upon comparison with the subject, this comparable was considered superior in terms of size and received a downward adjustment of -5% for this characteristic due to economies of scale. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

Improved Sale Three

This comparable represents an 8,832-square-foot retail property and is situated on a 0.8-acre parcel at 100 Blackbeards Hill, St. Thomas, VI. The improvements were originally constructed in 1984 and were considered in average condition at the time of sale. The exterior walls depict concrete block construction components. The parking surface is 20 spaces with a parking ratio of 2.26 spaces per 1,000 square feet. The property is listed for sale at \$2,200,000, or \$249.09 per square foot. Pro

Forma net operating income at the time of listing was \$186,738, or \$21.14 per square foot, for an overall capitalization rate of 8.49%. Occupancy at the time of sale was 100%. This listing is located just north of Charlotte Amalie, near the Hospital. The building is three stories and has a galvanized roof, cistern, public utilities, and views of the cruise ship harbor. The building is also equipped with a 65K generator.

The 5% upward adjustment for location reflects this comparable's inferior feature with respect to the subject's superior water front feature. Upon comparison with the subject, this comparable was considered superior in terms of size and received a downward adjustment of -15% for this characteristic due to economies of scale. In terms of age/condition, this comparable was judged inferior due to its date of construction and received an upward adjustment of 5% for this characteristic. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

Improved Sale Four

This comparable represents a 3,308-square-foot office property and is situated on a 0.08-acre parcel at Havensight, St. Thomas, VI. The improvements were originally constructed in 1973 and were considered in good condition at the time of sale. The exterior walls depict concrete block construction components. The parking surface is on-site, and considered adequate. The property is listed for sale at \$695,000, or \$210.10 per square foot. This listing is a small office building in Havensight, with views of the cruise ship harbor and easy access to Charlotte Amalie and the east end of the island. The building is configured into two office suites, one on each level.

The 5% upward adjustment for location reflects this comparable's inferior feature with respect to the subject's superior water front feature. Upon comparison with the subject, this comparable was considered superior in terms of size and received a downward adjustment of -15% for this characteristic due to economies of scale. In terms of age/condition, this comparable was judged inferior due to its construction date and received an upward adjustment of 15% for this characteristic. Overall, this comparable was deemed inferior in comparison to the subject and an upward net adjustment was warranted to the sales price indicator.

SUMMARY OF ADJUSTMENTS

Based on the foregoing discussions, the following table summarizes the adjustments warranted when comparing each sale to the subject.

RETAIL SALES ADJUSTMENT GRID					
Comparable Number	1	2	3	4	Subj. Pro Forma
Transaction Type	Sale	Sale	Listing	Listing	---
Transaction Date	Feb-01	Feb-01	Jun-07	Jun-07	---
Year Built	1988	1987	1984	1973	1992
GLA (SF)	22,000	29,073	8,832	3,308	47,344
Actual Sale Price	\$6,900,000	\$8,900,000	\$2,200,000	\$695,000	---
Adjusted Sale Price ¹	\$6,900,000	\$8,900,000	\$2,200,000	\$695,000	---
Price Per SF ¹	\$313.64	\$306.13	\$249.09	\$210.10	---
Occupancy	100%	100%	100%	0%	100%
NOI Per SF	\$0.00	\$0.00	\$21.14	\$0.00	---
OAR	0.00%	0.00%	8.49%	0.00%	---
Adj. Price Per SF	\$313.64	\$306.13	\$249.09	\$210.10	
Property Rights Conveyed	0%	0%	0%	0%	
Financing Terms ¹	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	
Market Conditions (Time)	0%	0%	0%	0%	
Subtotal - Price Per SF	\$313.64	\$306.13	\$249.09	\$210.10	
Location	-20%	-20%	5%	10%	
Size	-5%	-5%	-15%	-15%	
Age/Condition	0%	0%	5%	15%	
Quality of Construction	0%	0%	0%	0%	
Traffic Counts/Exposure	0%	0%	0%	0%	
Parking	0%	0%	0%	0%	
Total Other Adjustments	-25%	-25%	-5%	10%	
Indicated Value Per SF	\$235.23	\$229.60	\$236.64	\$231.11	

¹ Transaction amount adjusted for cash equivalency and/or deferred maintenance (where applicable)
Compiled by CBRE

SALE PRICE PER SF CONCLUSION

Based on the preceding discussions of each comparable and the foregoing adjustment analysis, a price per square foot indication within the range of Comparable Three and Four was the most appropriate for the subject as these sales required the smallest net adjustment as compared to the subject. The total value of the retail/office portion of the subject via this method was calculated below.

SALES COMPARISON APPROACH - RETAIL/OFFICE				
GLA (SF)	X	Value Per SF	=	Value
47,344	X	\$230.00	=	\$10,889,120
47,344	X	\$236.00	=	\$11,173,184
VALUE CONCLUSION				
Indicated Stabilized Value				\$11,000,000
Deferred Maintenance				\$0
Less Cost to Finish Storage				(\$23,000)
Value Indication - Retail/Office				\$10,977,000
Rounded				\$11,000,000
Value Per SF				\$232.34
Compiled by CBRE				

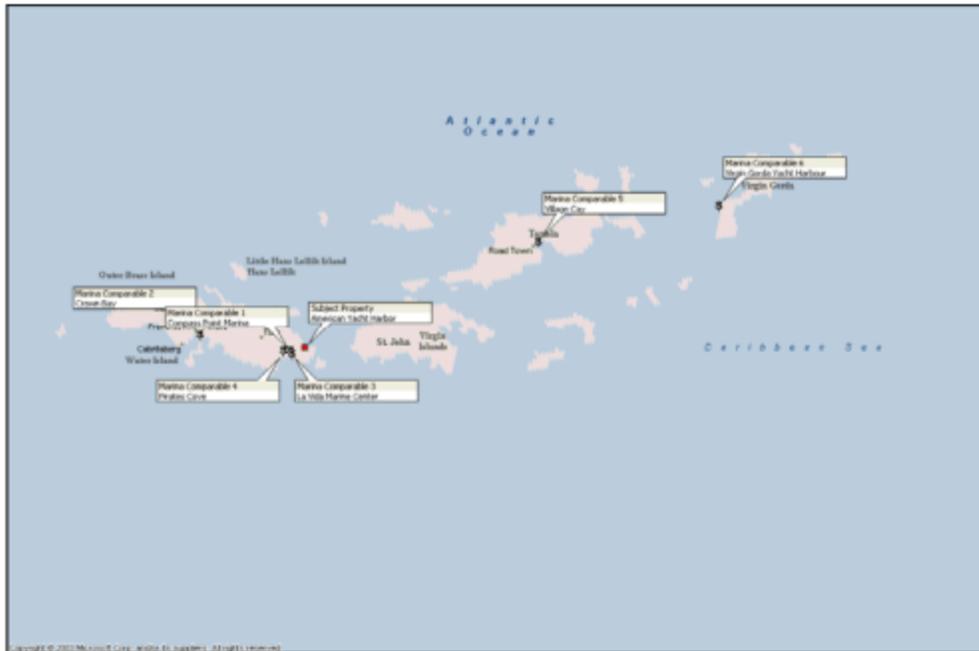
SUMMARY OF SALES COMPARISON CONCLUSION

Combining the value indication of the marina with the value indication of the retail/office component results in the following total value of the subject by the Sales Comparison Approach:

SALES COMPARISON APPROACH CONCLUSION				
Total Slips	X	Value Per Slip	=	Indicated Value
130	X	\$89,000	=	\$11,570,000
130	X	\$90,000	=	\$11,700,000
Indicated Stabilized Fee Simple Value - Marina				\$11,600,000
Less Leased Fee - P Dock				(\$1,360,000)
Indicated Leasehold Interest - Marina				\$10,240,000
Rounded				\$10,200,000
GLA (SF)	X	Value Per SF	=	Indicated Value
47,344	X	\$230.00	=	\$10,889,120
47,344	X	\$236.00	=	\$11,173,184
Indicated Stabilized Value - Retail/Office				\$11,000,000
Less Cost to Finish Storage				(\$23,000)
Indicated Stabilized Value - Retail/Office				\$10,977,000
Rounded				\$11,000,000
Total Value Indication				\$21,240,000
Rounded				\$21,200,000
Value Per Slip				\$163,077
Compiled by CBRE				

INCOME CAPITALIZATION APPROACH

The following location map and table of marinas summarizes the comparable data used in the valuation of the subject property. A detailed description of each transaction is included in the Addenda.



SUMMARY OF COMPARABLE MARINA SLIP RENTALS

Comp. No.	Property Name	Location	Service	Base Rate
1	Compass Point Marina	Red Hook, St. Thoma, USVI	Full	\$18.00/Ft./Month
2	Crown Bay Marina	Charlotte Amalie, St. Thoma, USVI	Full	\$25.50/Ft./Month
3	La Vida Marine Center	Red Hook, St. Thomas, USVI	Full	\$8 to \$12/Ft./Month
4	Pirates Cove Marina	Red Hook, St. Thomas, USVI	Full	\$20 to \$22/Ft./Month
5	Village Cay Marina	Road Town, Tortola, BVI	Full	\$28.50 to \$45/Ft./Month
6	Virgin Gorda Yacht Harbour	Spanish Town, Virgin Gorda, BVI	Full	\$27 to \$75/Ft./Month
Subj. Pro Forma	American Yacht Harbor & Marina	6100 Red Hook, Quarter #2, St. Thomas, USVI	Full	---

Compiled by CBRE

ANALYSIS OF COMPETITIVE MARINA PROPERTIES

Competitive Marina One

Compass Point Marina - This 96-slip marina is located in the lagoon behind Compass Point, which is also known as Hurricane Hole. This marina is well protected and security includes a gated entry. Amenities include water, electricity, pump-out, nearby shops and restaurants, showers/bathrooms and dive shop. Rates are \$18 per foot per month. The channel depth is shallow and larger boats requiring drafts of 4' or more typically cannot utilize the marina. The marina has virtually no visibility from Highway 32 and ingress is through a residential area. Overall, this property is considered inferior to the subject, as the comparable has shallow drafts, prohibiting larger vessels from access. In addition, the marina has inferior visibility and further to travel to the fishing grounds in the Atlantic Ocean than the subject. The subject should command higher slip rates than this comparable.

Competitive Marina Two

Crown Bay Marina - This marina is located just west of Charlotte Amalie and includes about 99 wet slips. This marina can accommodate vessels up to 200' and has a high speed fuel dock. Amenities include repairs, chandlery, water, fuel, electricity, pump-out, shops, restaurant, bar, direct broadcast satellite TV, high speed broadband internet, laundry, dive shop and full service concierge. Annual rates for the wet slips are \$25.50 per foot. Overall, this marina is considered superior to the subject due to its on-site parking and amenities, while inferior in terms of the required travel time to the Ocean. The subject is slightly superior to this comparable and should command slightly higher slip rates.

Competitive Marina Three

La Vida Marine Center - This marina is located near Compass Point, near Compass Point Marina. The marina has approximately 80 slips and can accommodate vessels up to 60'. Amenities include electricity, water, showers/bathroom, small bar and grill, full service boat yard, repairs and haul-out. This is a small, older marina with limited amenities and is primarily a boat yard and service marine center. Slip rates range between \$8.00 and \$12.00 per foot per month. Overall, this facility is considered inferior as compared to the subject property due to its location, quality and amenities.

Competitive Marina Four

Pirates Cove Marina - This marina is located just west of Red Hook, St. Thomas. The marina has 30 slips and can accommodate vessels with drafts over 4'. Amenities include metered electricity and water, fuel, boat sales and rentals, hotel rooms, bar & grill, general store and small gift/boutique shop. Rates for vessels were quoted between \$20.00 and \$22.00 per foot per month, which was based on a flat rate of \$795 per slip per month and 35' to 40' slips. This is an older marina with limited parking and longer travel time by boat to the Atlantic Ocean. Overall, this property is

considered to be inferior as compared to the subject property and the subject should command higher slip rates than this comparable.

Competitive Marina Five

Village Cay Marina - This 106-slip marina is located directly in the heart of Road Town in Tortola, BVI. This marina has 35' to 40' finger piers in three docks and can accommodate vessels in excess of 56'. Amenities include laundry, showers/bathrooms, electricity, water, fuel, security, maintenance, 19-room hotel and restaurant/bar. Shops, grocery stores and banks are nearby. Annual slip rates are \$24 per foot for vessels under 56' and \$45 per foot for vessels in excess of 56', which require two T-slips. The marina was developed in 1974 and is in fair to average condition. Overall, this property is considered inferior to the subject in terms of age and condition and the subject should command slightly higher slips rates.

Competitive Marina Six

Virgin Gorda Yacht Harbour Marina - This 111-slip marina is located just north of Spanish Town and south of Little Dix Bay Resort on Virgin Gorda, BVI. This marina has 94 slips and 17 T-slips (bulkhead berths), as well as a boatyard with 220 dry slips, 42 of which are "hurricane berths" in a concrete keel slip. The marina can accommodate vessels up to 160' at the T-slips. Amenities include laundry, showers/bathrooms, electricity, water, fuel, security, dive shop, drug store, marine store, chandlery, food market, wireless internet, restaurant and pub. Slip rates are \$27.00 per foot per month to \$40.50 per month for vessels under 52' and \$60 per foot per month for vessels between 52' and 75'. Rates for vessels over 75' are \$75 per foot per month. Annual rates for vessels under 52' ranges between \$24.00 and \$36.00 per foot per month. Overall, this property is considered similar to the subject and the subject should command similar slips rates.

Projected Occupancy & Slip Rates

Based on the comparable marina data, current market conditions, and the subject's competitive position in the market, it is our opinion that the subject's occupancy level will be similar to the rate that has been achieved by the subject over the past year and a half. The subject's historical and projected stabilized occupancy is summarized as follows:

MARINA OCCUPANCY	
Year	Percentage
2005	75%
2006	80%
2007 Annualized	78%
CB Richard Ellis, Inc. Estimate	80%
Compiled by CBRE	

As previously discussed, the comparable marina slip rates reflect a wide range of prices due to marina amenities, location, travel time to fishing grounds and the open ocean, as well as age and condition. Compass Bay and Virgin Gorda Yacht Harbour are the most comparable to the subject. Although there are various physical or locational differences these marinas offer good quality slips with similar amenities either at the site or nearby. Annual rates at Crown Bay are \$25.50 per foot per month and at Virgin Gorda Yacht Harbour rates range between \$24.00 and \$36.00 per foot per month.

Rates at the subject are current being quoted at \$26.75 to \$32.00 per foot per month for seasonal stays and \$25.25 to \$30.50 per foot per month for annual leases. Transient rates are even higher and ranges between \$30.00 and \$34.50 per foot per month. The subject's historical and pro forma segmentation are summarized as follows:

Another factor affecting the overall slip rate is the percentage or mix of leases between annual, seasonal and transient (less than 30 days). The subject's historical and pro forma segmentation is as follows:

SEGMENTATION			
Year	Annual	Seasonal	Transient
2005	53.2%	24.2%	22.6%
2006	50.6%	23.8%	25.6%
2007 Annualized	48.9%	18.2%	32.9%
CB Richard Ellis, Inc. Estimate	50.0%	24.0%	26.0%
Compiled by CBRE			

The subject's current dockage rates are summarized as follows:

QUOTED DOCKAGE RATES			
Slip Length	Annual	Seasonal	Transient
Current under 56'	\$25.25	\$26.75	\$30.00
Current over 56'	\$30.50	\$32.00	\$34.50
Compiled by CBRE			

Annual dockage will tend to include a small portion with vessels in excess of 56', while the seasonal and transient are likely to include vessels under the 56' price range break. We have estimated the 10% of the annual dockage will be vessels in excess of 56', and 100% of the seasonal and transient dockage will be vessels under 56'. Based on the dockage segmentation as supported by the subject's historical segmentation and the current quoted rates with the weight placed on the various rates as discussed, the subject's historical and pro forma dockage rates are as follows:

SLIP RATES	
Year	\$/LF/Month
2005	\$26.71
2006	\$26.65
2007 Annualized	\$26.37
CB Richard Ellis, Inc. Estimate	\$27.00
Compiled by CBRE	

The subject's historical slip rates are relatively consistent. The rate reflected for the 2007 annualized amount is for the first five months of the year, just prior to the high peak fishing season of July through September. Seasonal dockage will increase during this time and the segmentation will begin to resemble the historical percentage.

Considering a stabilized occupancy of 80% and an average dockage rate of \$27.00 per foot per month, the total dockage revenue is estimated to be \$1,428,500, or \$10,988 per slip. The schedule below summarizes the historical dockage revenue as compared to our pro forma estimate.

DOCKAGE REVENUE		
Year	As a % of Total Revenue	Per Available Slip
2005	22.6%	\$10,195
2006	21.7%	\$10,827
2007 Annualized	24.8%	\$10,444
CB Richard Ellis, Inc. Estimate	21.6%	\$10,988
Compiled by CBRE		

Although dockage revenue has varied in terms of the percentage to total revenue, the amount per slip has been relatively consistent. Our pro forma estimate is slightly higher than the most recent full year and is considered reasonable based on the current quoted rates at the subject and the rates of the two most comparable marina projects.

The following location map and table of marinas summarizes the comparable data used in the valuation of the subject property. A detailed description of each transaction is included in the Addenda.



SUMMARY OF COMPARABLE RETAIL RENTALS

Comp. No.	Property Name	Location	Year Built	Occ.	GLA (SF)	Quoted Rental Rate	Expense Basis
1	East End Plaza	Road 30 Across from St. John Ferry Dock, Red Hook, USVI	2007	Lease-up	72,000	\$50-\$65/SF	Triple Net
2	Fort Mylner Shopping Center	Weymouth-Rhymer Highway and Turpentine Run, Charlotte Amalie, USVI	1966	98%	26,200	\$21.00 - \$26.00	Triple Net
3	Havensight Mall	Along Side The Cruise Ship Dock, Charlotte Amalie, USVI	1980	100%	260,000	\$40.00 - \$60.00	Triple Net
4	Lockart Gardens Shopping Center	Weymouth-Rhymer Highway and SR 313, Charlotte Amalie, USVI	1972	99%	85,000	\$26.00 - \$31.00	Triple Net
5	Nisky Center	Road 30 West Of Charlotte Amalie, Charlotte Amalie, USVI	1988	93%	123,787	\$35.00 - \$40.00	Gross
6	Red Hook Plaza	Red Hook Road Across From American Yacht Harbor, Red Hook, USVI	1976	100%	36,000	\$28.00 - \$32.00	Triple Net
Subj. Pro Forma	American Yacht Harbor & Marina	6100 Red Hook, Quarter #2, St. Thomas, USVI	1992	100%	47,344	---	---

Compiled by CBRE

The rentals utilized represent the best data available for comparison with the subject property. They were selected from our research of comparable rentals on St. Thomas.

ANALYSIS OF COMPETITIVE RETAIL/OFFICE PROPERTIES

Retail Comparable One

This comparable represents the newest retail/office development in the eastern portion of St. Thomas. It is located across from the St. John/Tortola ferry landing and is currently under construction. The center is reportedly 72,000 square feet. According to the leasing agent the quoted rents range between \$50 and \$65 per square foot on triple net leases. He indicated two banks, several fast food type restaurants and economic development companies have negotiated leases. The improvements are concrete block and adequate parking will be available. Pass through is expected to be around \$5.00 per square foot, with a property tax exemption; however, if the exemption is not granted pass through will increase to \$8.00 per square foot.

In comparison to the subject, this property was generally similar with respect to location, while superior in age/condition, construction quality and income characteristics. Overall, this comparable was significantly superior in comparison to the subject and a downward adjustment was required.

Retail Comparable Two

This comparable represents a retail/office development in the eastern portion of St. Thomas. It is located just south of the Tu Tu Mall and is currently 97.7% occupied. The center contains 26,200 square feet and has 11 tenants with space sizes ranging between 300 square feet and 4,800 square feet. Currently there is a 1,500 square foot space for lease and an asking rate between \$21 and \$26 per square foot. Expense pass through is approximately \$4.00 per square foot. The center was originally constructed in 1966 and renovated in 1996.

In comparison to the subject, this property was generally inferior with respect to location, age/condition and design and appeal. Overall, this comparable was inferior in comparison to the subject and an upward adjustment was required.

Retail Comparable Three

This comparable represents a government owned retail/office development adjacent to the cruise ship docks, just east of Charlotte Amalie. The center consists of several buildings and contains approximately 260,000 square feet. Rental rates depend on the location within the center. Rental rates range between \$25 and \$30 per square foot for the office and back portion stores and \$40 to \$60 per square foot for space in high traffic locations catering to the cruise ship passengers. Expense pass-through is estimated at \$3.00 per square foot.

In comparison to the subject, this property was superior with respect to location, while regarded as similar in age/condition and design and appeal. Overall, this comparable was inferior in comparison to the subject and an upward adjustment was required.

Retail Comparable Four

This comparable represents a strip center near the Roy Schneider Hospital, just east of Charlotte Amalie. The center was constructed in 1972 and was renovated in 1996. It is considered to be in good condition at this time. The center contains approximately 85,000 square feet and tenants include Kmart, Foot Locker, Furniture World and Banco Popular to name a few. Reportedly rental rates in the center range between \$26.00 and \$31.00 per square foot, with expense pass through of approximately \$4.00 per square foot.

In comparison to the subject, this property was similar with respect to location, while regarded as slightly inferior in age/condition and design and appeal. Overall, this comparable was slightly inferior in comparison to the subject and an upward adjustment was required.

Retail Comparable Five

This comparable represents a mixed use project just west of Charlotte Amalie. The center was constructed in 1988 and contains 123,787 square feet. It is considered to be in good condition at this time. Tenants include the United States Immigration and Naturalization Service and Bank of Nova Scotia to name a couple. Reportedly, rental rates in the center range between \$35.00 and \$40.00 per square foot, on a gross lease basis. Considering pass-through is typically \$4 to \$5 per square foot, the effective triple net lease equivalent is \$30 to \$36 per square foot.

In comparison to the subject, this property was superior with respect to location, while regarded as similar in age/condition and design and appeal. Overall, this comparable was slightly superior in comparison to the subject and a downward adjustment was required.

Retail Comparable Five

This comparable represents a mixed use project across the street from the subject. The center was constructed in 1976 and contains approximately 36,000 square feet. It is considered to be in average condition at this time. Tenants include Ace Hardware, Banco Popular and Dusty's Love Shack Restaurant as a pad, just to name a few. Reportedly, rental rates in the center range between \$28.00 and \$32.00 per square foot, on a triple net lease basis. Expense pass-through is estimated at \$4.00 per square foot.

In comparison to the subject, this property was similar with respect to location and condition, while inferior in design and appeal. The subject has a slight advantage over this comparable being situated

on the water front side of Red Hook Road. Overall, this comparable was generally similar in comparison to the subject and no adjustment was required.

SUBJECT RENTAL INFORMATION

The following chart depicts the subject's most recent contract rates.

SUMMARY OF RECENT LEASES									
Tenant	New/ Renewal	Term (Mo.)	Commence Date	Size (SF)	Rental Rate		Escalations	Free Rent	Expense Reimb.
					\$/SF/Yr.	\$/Yr.			
Actual Leases									
Carib Oil	New	31	Jan-07	371	\$32.00	\$11,872	Yes	No	NNN
Sun Haven Realty	New	36	Jan-07	371	\$32.00	\$11,872	Yes	No	NNN
Majorie Roberts	New	36	Jan-07	292	\$31.97	\$9,335	Yes	No	NNN
Lafayette Contractors	New	24	Mar-07	885	\$32.00	\$28,320	Yes	No	NNN
East End Café	New	99	Dec-06	1,429	\$21.00	\$30,009	Yes	No	NNN
Lotus Asian Grill & Sushi	New	120	Oct-06	1,840	\$40.00	\$73,600	Yes	No	NNN
Stout Realty	New	36	Apr-06	800	\$36.75	\$29,400	Yes	No	NNN
Matthew Lutz	Renewal	36	May-07	1,500	\$27.00	\$40,500	Yes	No	NNN
Subtotal Actual Leases				7,488	\$31.37	\$234,908			
Compiled by CBRE									

Current asking rates are approximately \$32.00 per square foot, which appears to be the appropriate for the subject in relation to the comparables. Leases in Building F (East End Café) command lower rent due to the condition of the building improvements. The four most recent leases were negotiated at rates between \$31.97 and \$32.00 per square foot, triple net. The leases exhibit escalation clauses based on CPI or a maximum of 3% to 5%, depending on the negotiations. Spaces are leased as is with no tenant finish allowance included. Lease terms ranged from three to ten years, which appear consistent with market terms. Additionally, all of these recently signed leases were signed on a triple net lease basis whereby taxes, insurance and common area maintenance are pass through to the tenants on a pr-rata share basis.

MARKET RENT ESTIMATE

Considering the location of the subject, the most recently executed leases within the subject have typically been consistent with trends exhibited in the competitive market and by the rent comparables.

The subject's is currently 100% occupied. Recent leases were negotiated at \$32.00 per square foot for space in Buildings A through E and \$21.00 per square foot for space in Building F. The recently negotiated leases are well within the parameters indicated by the market (currently \$21.00 to \$65.00 per square foot). Because of the lack of available space and a new center coming on line at the end of the year across the street from the subject, we have concluded a market rent for the retail and office space in Buildings A through E at the same rate as the recent leases, or \$32.00 per square foot. Further, we have concluded a market rent for space in Building F and the space utilizing deck space at \$21.00 per square foot, in line with recent lease negotiations.

Base Rental Rate

The estimate of base rental rates is shown in the following chart.

BASE RENTAL RATES		
Category	Bldgs. A, B, C, D & E	Bldg. F & Marlin Deck
Subject's Quoted Terms	\$32.00	\$21.00
Rent Comparable Data	\$21.00-\$65.00	\$21.00-\$65.00
CBRE Estimate	\$32.00	\$21.00
Compiled by CBRE		

Concessions

The estimate of concessions is shown in the following chart.

CONCESSIONS		
Category	Bldgs. A, B, C, D & E	Bldg. F & Marlin Deck
Subject's Quoted Terms	None	None
Rent Comparable Data	None	None
CBRE Estimate	None	None
Compiled by CBRE		

With occupancy at 98% in the surveyed comparable not in lease-up, demand is strong and concessions are not part of the leasing structure.

Reimbursements

The estimate of reimbursements is shown in the following chart.

REIMBURSEMENTS		
Category	Bldgs. A, B, C, D & E	Bldg. F & Marlin Deck
Subject's Quoted Terms	NNN	NNN
Rent Comparable Data	NNN & Gross	NNN & Gross
CBRE Estimate	NNN	NNN
Compiled by CBRE		

Only one comparable reported a lease structure other than triple net. Indicating this type of lease structure is predominate in the market and accepted by tenants.

Escalations

The various rental rates for the subject are base rates and do not include potential annual escalations. At the present time, annual escalations are based on CPI with maximums increases ranging between 3% and 5%. As such, we have concluded market rental escalations of 3% annually over the term of the lease.

Tenant Improvements

The estimate of tenant improvements is shown in the following chart.

TENANT IMPROVEMENTS		
Category	Bldgs. A, B, C, D & E	Bldg. F & Marlin Deck
Subject's Quoted Terms		
New Tenants	\$0.00	\$0.00
Renewals	\$0.00	\$0.00
Rent Comparable Data		
New Tenants	\$0.00	\$0.00
Renewals	\$0.00	\$0.00
CBRE Estimate		
New Tenants	\$0.00	\$0.00
Renewals	\$0.00	\$0.00
Compiled by CBRE		

In every case where vacant space was available in one of the comparables the space was marketed in it's as is condition with no tenant improvements allowance included. This is also the case at the subject. As such, we have not considered any tenant improvements allowance.

Lease Term

The estimate of lease terms is shown in the following chart.

LEASE TERM		
Category	Bldgs. A, B, C, D & E	Bldg. F & Marlin Deck
Subject's Quoted Terms	2 - 10 YRS	3 - 10 YRS
Rent Comparable Data	3 - 5 YRS	3 - 5 YRS
CBRE Estimate	5 YRS	5 YRS
Compiled by CBRE		

Lease terms vary within the subject, as well as the comparables. The most common lease term was found to be five years.

MARKET RENT CONCLUSIONS

The following chart depicts the market rent conclusions for the subject:

MARKET RENT CONCLUSIONS		
Category	Bldgs. A, B, C, D & E	Bldg. F & Marlin Deck
GLA (SF)	40,807	6,537
Percent of Total SF	86.2%	13.8%
Market Rent (\$/SF/Yr.)	\$32.00	\$21.00
Concessions	None	None
Reimbursements	NNN	NNN
Annual Escalation	CPI-U	CPI-U
Tenant Improvements (New Tenants)	\$0.00	\$0.00
Tenant Improvements (Renewals)	\$0.00	\$0.00
Average Lease Term	5 Years	5 Years
Compiled by CBRE		

RENT ROLL ANALYSIS

The subject's rent roll is illustrated as follows:

RENT ROLL ANALYSIS											
Suite No.	Tenant	Lease Start	Lease Expiration	Term (Mos.)	Size (GLA) SF	% Total	Contract \$/SF/Yr.	Rental Rate \$/Yr.	Trash \$/Yr.	CAM \$/Yr.	CAM \$/SF/Yr.
A1-1	Neptune Fishing Supplies	Aug-04	Jul-09	60	870	1.8%	\$29.83	\$25,956	\$900	\$3,811	\$4.38
A1-2	██████ Inc.	Jan-06	Dec-08	36	371	0.8%	\$34.50	\$12,801	\$600	\$1,577	\$4.25
A1-3	First Bank VI	Oct-02	Oct-06	49	371	0.8%	\$35.17	\$13,050	\$300	\$1,655	\$4.46
A1-4, 5, Deck	Tradewinds Food Co.	Mar-01	Feb-11	120	1,642	3.5%	\$37.48	\$61,544	\$1,500	\$6,979	\$4.25
A2-1	Island Meeting & Incentives	Dec-98	Nov-08	119	841	1.8%	\$33.62	\$28,279	\$300	\$3,759	\$4.47
A2-2	Carib Oil	Jan-07	Jul-09	31	371	0.8%	\$32.00	\$11,872	\$300	\$1,577	\$4.25
A2-2 & 3	Sun Haven Realty	Jan-07	Dec-09	36	371	0.8%	\$32.00	\$11,872	\$300	\$1,577	\$4.25
A2-4	Majorie Roberts	Jan-07	Dec-09	36	292	0.6%	\$31.97	\$9,336	\$0	\$1,241	\$4.25
A2-5	Melissa Nelson/Knots Away	Mar-05	Feb-08	36	350	0.7%	\$21.70	\$7,594	\$300	\$1,488	\$4.25
A2-6	Islands Yacht Charters, Inc.	Apr-06	Mar-08	24	371	0.8%	\$32.99	\$12,238	\$600	\$1,577	\$4.25
A2-7	Lafayette Contractors, LLC	Mar-07	Feb-09	24	885	1.9%	\$32.00	\$28,320	\$300	\$3,761	\$4.25
A3-1	Corporate Services Group	Sep-03	Dec-10	88	968	2.0%	\$23.15	\$22,412	\$0	\$4,114	\$4.25
B1-E	Island Yacht Charters, Inc.	Apr-06	Mar-08	24	400	0.8%	\$17.28	\$6,913	\$600	\$1,700	\$4.25
B2-1 & 2	Antilles Yachting Corp.	Jul-02	Mar-08	69	3,080	6.5%	\$22.63	\$69,702	\$600	\$11,550	\$3.75
B2-4 & 5	Stout Realty	Apr-06	Mar-09	36	800	1.7%	\$36.75	\$29,400	\$300	\$3,400	\$4.25
B2-10	Captain Nautica	Jan-00	Dec-06	84	800	1.7%	\$32.40	\$25,922	\$300	\$3,400	\$4.25
B2-7	Latus Asian Grill & Sushi	Oct-06	Sep-16	120	1,840	3.9%	\$40.00	\$73,596	\$1,200	\$7,824	\$4.25
B3-1 & 2	C-Boy, Inc.	Jan-04	Dec-09	72	3,504	7.4%	\$19.68	\$68,951	\$1,800	\$14,892	\$4.25
B3-3 & 5	Financial Trust Co.	Sep-99	Aug-09	120	2,800	5.9%	\$26.78	\$74,982	\$600	\$11,900	\$4.25
C1-6	Trust Asset Management	Jan-02	Dec-07	72	6,000	12.7%	\$22.00	\$132,000	\$1,200	\$26,820	\$4.47
C2-1	Dolphin Dreams	Apr-99	Mar-09	120	839	1.8%	\$34.21	\$28,706	\$300	\$3,568	\$4.25
C2-2	Cool Signs	Sep-02	Mar-09	79	892	1.9%	\$28.08	\$25,044	\$0	\$3,791	\$4.25
C2-3	Sally Smith	Sep-02	Aug-07	60	372	0.8%	\$19.47	\$7,244	\$180	\$837	\$2.25
C2-4	Red Hook Video Store	Apr-03	Mar-08	60	890	1.9%	\$26.59	\$23,666	\$600	\$3,783	\$4.25
C2-5	Purely Paws, LLC	May-03	Apr-11	96	500	1.1%	\$23.83	\$11,914	\$300	\$2,125	\$4.25
C2-6	E J Mexx	Mar-04	Feb-09	60	514	1.1%	\$27.16	\$13,962	\$0	\$2,041	\$3.97
C2-7	Matthew Lutz	May-07	Apr-10	36	1,500	3.2%	\$27.00	\$40,500	\$600	\$6,375	\$4.25
C2-8	The Capitan School	Jun-05	May-08	36	522	1.1%	\$27.56	\$14,388	\$300	\$2,219	\$4.25
C3-14, Deck	Island Time	Jul-04	Jun-09	60	1,367	2.9%	\$18.49	\$25,278	\$900	\$5,810	\$4.25
D1-1	Ireland-32	Apr-99	Mar-09	120	3,724	7.9%	\$18.34	\$68,301	\$1,800	\$15,827	\$4.25
Marlin Deck	Latte's in Paradise	Oct-05	Sep-06	12	300	0.6%	\$20.00	\$6,000	\$600	\$1,275	\$4.25
E1-1	CTS Enterprises, Inc.	Aug-99	Jul-08	108	1,035	2.2%	\$30.75	\$31,823	\$1,200	\$4,399	\$4.25
E1-2	CTS Enterprises, Inc.	Feb-03	Jul-08	66	345	0.7%	\$29.27	\$10,097	\$0	\$1,397	\$4.05
E2-1	Springline, LLC	Aug-02	Jul-08	72	1,380	2.9%	\$24.31	\$33,548	\$600	\$5,865	\$4.25
F1-1	La Providence, Inc.	Nov-01	Oct-06	60	838	1.8%	\$14.04	\$11,765	\$600	\$3,570	\$4.26
F2-1	Anita-Reaves-George	Feb-05	Jan-08	36	1,670	3.5%	\$20.81	\$34,753	\$600	\$7,100	\$4.25
F2-2	East End Café	Dec-06	Feb-15	99	1,429	3.0%	\$21.00	\$30,009	\$0	\$6,073	\$4.25
F2-3	East End Café	Mar-05	Feb-15	120	2,300	4.9%	\$20.01	\$46,022	\$1,800	\$8,050	\$3.50
Occupied Subtotals					47,344	100.0%	\$25.13	\$1,189,758	\$22,380	\$198,703	\$4.20
Property Totals - Contract Rent					---	---	\$25.13	\$1,189,758	---	---	\$4.20
Property Totals - Market Rent					---	---	\$30.48	\$1,443,101	---	---	\$5.00

As noted, the overall average contract rent at the subject is currently \$25.13 per square foot. Our pro forma estimate of \$32.00 and \$21.00 per square foot results in an overall average rent at \$30.48 per square foot. Although the leases have escalation clauses in the lease structure, many were negotiated several years ago at a time when Red Hook was not noticed as a retail/office area and the condition of the subject was inferior to the current condition.

Anticipated Changes/Rollover to Rent Roll

The general manager reported no significant anticipated changes to the rent roll due to tenant defaults and/or non-renewals or major new leasing activity.

POTENTIAL INCOME CONCLUSION

Within this analysis, potential rental income from the retail/office improvements and the marina are estimated based upon the forward looking market rental rates over the next twelve months. As such, the retail/office rental income considers any escalation of rents during the next twelve months. This method of calculating rental income is most prevalent in the local market and is consistent with the method used to derive overall capitalization rates from the comparable sales data. The following schedules summarize the potential marina and contract retail/office income as a percentage of total revenue to the subject as well as on a per slip basis and per square foot basis, where applicable.

DOCKAGE REVENUE		
Year	As a % of Total Revenue	Per Available Slip
2005	22.6%	\$10,195
2006	21.7%	\$10,827
2007 Annualized	24.8%	\$10,444
CB Richard Ellis, Inc. Estimate	21.6%	\$10,988
Compiled by CBRE		

RETAIL/OFFICE RENTAL INCOME		
Year	As a % of Total Revenue	\$/SF
2005	17.8%	\$22.05
2006	16.8%	\$23.07
2007 Annualized	19.1%	\$22.00
CB Richard Ellis, Inc. Estimate	18.1%	\$25.30
Compiled by CBRE		

Projected Fuel Sales Revenue

As would be expected, fuel sales revenue is dependent on the number of slips at a particular marina, and can vary according to specific marina layouts and management. The subject's historical financial data is presented in the following table.

FUEL SALES REVENUE		
Year	As a % of Total Revenue	Per Available Slip
2005	42.7%	\$19,265
2006	44.2%	\$22,063
2007 Annualized	38.9%	\$16,368
CB Richard Ellis, Inc. Estimate	42.3%	\$21,538
Compiled by CBRE		

The subject's historical fuel sales has been consistent and provides good support for our pro forma estimate of the diesel and gas fuel sales at the subject. The 2007 annualized amount is lower as the peak fishing seasons July through September were obviously not yet included. Fuel storage capacity is 30,000 gallons of diesel in one tank and 10,000 gallons of gasoline in four storage tanks. In-dock fueling is available to slips in A, B & C Docks. Our pro forma estimate is supported by the subject's historical financial data.

Utility Sales Revenue

The subject sells electricity and water to the docks and water and trash removal to the retail/office tenants. With its own desalination plant, the water sales are source of net profit, as well as the revenue above the cost of the trash removal and electricity. The subject's historical financial data is presented in the following table.

UTILITY SALES - DOCKS REVENUE		
Year	As a % of Total Revenue	Per Available Slip
2005	6.9%	\$3,131
2006	7.5%	\$3,766
2007 Annualized	7.3%	\$3,051
CB Richard Ellis, Inc. Estimate	7.5%	\$3,846
Compiled by CBRE		

UTILITY SALES - RETAIL/OFFICE REVENUE		
Year	As a % of Total Revenue	\$/SF
2005	2.5%	\$3.16
2006	2.3%	\$3.10
2007 Annualized	2.3%	\$2.60
CB Richard Ellis, Inc. Estimate	2.4%	\$3.34
Compiled by CBRE		

Merchandise Sales Revenue

The subject's merchandise sales revenue has been relatively consistent over the past two plus years. This revenue category includes sales of miscellaneous items including, snack food, drinks, T-shirts and other clothing, small boating needs, etc. The subject historical merchandise sales revenue is detailed as follows:

MERCHADISE REVENUE		
Year	As a % of Total Revenue	Per Available Slip
2005	1.4%	\$628
2006	1.5%	\$735
2007 Annualized	1.8%	\$739
CB Richard Ellis, Inc. Estimate	1.4%	\$731
Compiled by CBRE		

Storage Rental Income

The subject currently has 36 storage units with an additional 23 planned for the near future. Three of the spaces will not be available for lease as they are utilized by the owners for storage. The current rent roll for the 33 leased storage units indicates month revenue of \$5,785. The new units will be lease at an average rate of \$60 per square foot for the 586 square feet to be added, resulting in annual revenue from storage unit leasing of \$104,580, rounded to \$105,000. The subject's historical financial data is presented in the following table:

STORAGE RENTAL INCOME		
Year	As a % of Total Revenue	Per Available Slip
2005	1.3%	\$577
2006	1.1%	\$546
2007 Annualized	1.2%	\$484
CB Richard Ellis, Inc. Estimate	1.6%	\$808
Compiled by CBRE		

The increased in the pro forma estimate is due to the addition of the new units.

Parking Income

The parking arrangement at the subject is based on first come first serve; however, most of the spaces in the parking garages are leased on a monthly basis. The subject's historical financial data is presented in the following table:

PARKING INCOME		
Year	As a % of Total Revenue	\$/SF
2005	0.7%	\$0.82
2006	0.8%	\$1.07
2007 Annualized	0.9%	\$1.00
CB Richard Ellis, Inc. Estimate	0.8%	\$1.06
Compiled by CBRE		

CAM Reimbursement

The leasing structure for the retail and office tenants calls for triple net leases whereby operating expense including real estate taxes, insurance and common area maintenance are pass through to the tenants as additional rent. In this instance the majority of the CAM expense is insurance and a small amount of the repairs and maintenance expense. The subject's historical financial data is presented in the following table:

CAM REIMBURSEMENT		
Year	As a % of Total Revenue	\$/SF
2005	3.6%	\$4.43
2006	3.3%	\$4.56
2007 Annualized	3.2%	\$3.68
CB Richard Ellis, Inc. Estimate	3.65%	\$5.11
Compiled by CBRE		

Our estimate considers an increase in the insurance expense and a slight increase in the repairs and maintenance expense.

Miscellaneous/Other Income

Miscellaneous or Other Income is derived from sources such as boat services, finance charges to vessels, etc. The subject's historical Other Income is detailed as follows:

OTHER INCOME REVENUE		
Year	As a % of Total Revenue	Per Available Slip
2005	0.6%	\$274
2006	0.8%	\$408
2007 Annualized	0.7%	\$283
CB Richard Ellis, Inc. Estimate	0.8%	\$385
Compiled by CBRE		

EXPENSE PROJECTIONS

In order to estimate the operating expenses applicable to the subject, we have reviewed the subject's historical data. The following table summarizes the subject's historical data:

SUBJECT HISTORICAL OPERATING HISTORY									
Year	2005			2006			2007 Annualized		
No. Slips	130			130			130		
Total LF Occupied (Slips)	1,509,285			1,606,512			1,566,151		
Avg. Slip Occupancy	75%			80%			78%		
Avg. Slip Rate/LF	\$0.88			\$0.88			\$0.87		
	Total	% Rev	\$/Slip	Total	% Rev	\$/Slip	Total	% Rev	\$/Slip
Revenues									
Dockage	\$1,325,322	22.6%	\$10,195	\$1,407,539	21.7%	\$10,827	\$1,357,754	24.8%	\$10,444
Fuel Sales	2,504,485	42.7%	19,265	2,868,191	44.2%	22,063	2,127,778	38.9%	16,368
Utility Sales - Docks	407,060	6.9%	3,131	489,546	7.5%	3,766	396,689	7.3%	3,051
Utility Sales - Retail/Office	149,439	2.5%	1,150	146,761	2.3%	1,129	123,266	2.3%	948
Merchandise	81,631	1.4%	628	95,541	1.5%	735	96,007	1.8%	739
Retail/Office Rental Income	1,044,076	17.8%	8,031	1,092,002	16.8%	8,400	1,041,617	19.1%	8,012
Storage Rental Income	75,034	1.3%	577	70,982	1.1%	546	62,892	1.2%	484
Parking Income	38,918	0.7%	299	50,430	0.8%	388	47,575	0.9%	366
CAM Reimbursement	209,943	3.6%	1,615	215,720	3.3%	1,659	174,302	3.2%	1,341
Other Income	35,623	0.6%	274	53,077	0.8%	408	36,732	0.7%	283
Total Revenues	\$5,871,531	100.0%	\$45,166	\$6,489,789	100.0%	\$49,921	\$5,464,613	100.0%	\$42,035
Cost of Sales*									
Dockage	\$319,858	12.8%	\$2,460	\$365,268	26.0%	\$2,810	\$297,070	21.9%	\$2,285
Fuel	1,829,804	73.1%	14,075	2,022,214	70.5%	15,555	1,494,636	70.2%	11,497
Utilities - Docks	167,435	41.1%	1,288	198,877	40.6%	1,530	139,817	35.2%	1,076
Utilities - Retail/Office	72,046	48.2%	554	71,522	48.7%	550	61,603	50.0%	474
Merchandise	47,515	58.2%	366	53,147	55.6%	409	51,228	53.4%	394
Retail/Office	257,498	24.7%	1,981	267,486	24.5%	2,058	224,791	21.6%	1,729
Miscellaneous Operating	11,562	32.5%	89	16,309	30.7%	125	14,539	39.6%	112
Guaranteed Payment - P Dock	112,987	1.9%	869	116,331	2.0%	895	105,269	1.8%	810
Total Cost of Sales	\$2,818,705	48.0%	\$21,682	\$3,111,154	47.9%	\$23,932	\$2,388,953	43.7%	\$18,377
Gross Operating Income	\$3,052,826	52.0%	\$23,483	\$3,378,635	52.1%	\$25,990	\$3,075,660	56.3%	\$23,659
Unallocated Expenses									
Utilities	\$71,822	1.2%	\$552	\$89,471	1.4%	\$688	\$63,960	1.2%	\$492
Repair & Maintenance	52,860	0.9%	407	55,928	0.9%	430	\$43,342	0.8%	333
Marketing	41,228	0.7%	317	53,236	0.8%	410	\$53,789	1.0%	414
Management Fee	104,513	1.8%	804	116,383	1.8%	895	\$396,773	7.3%	3,052
Administrative & General	253,172	4.3%	1,947	324,580	5.0%	2,497	\$161,131	2.9%	1,239
Gross Receipts Tax	102,855	1.8%	791	118,550	1.8%	912	89,830	1.6%	691
Payroll	301,108	5.1%	2,316	304,527	4.7%	2,343	\$276,434	5.1%	2,126
Land Lease	61,582	1.0%	474	61,569	0.9%	474	\$54,480	1.0%	419
Total Unallocated Expenses	\$989,140	16.8%	\$7,609	\$1,124,244	17.3%	\$8,648	\$1,139,738	20.9%	\$8,767
Income Before Fixed Expenses	\$2,063,686	35.1%	\$15,875	\$2,254,391	34.7%	\$17,341	\$1,935,922	35.4%	\$14,892
Fixed Expenses									
Real Estate Taxes	-	0.0%	-	-	0.0%	-	-	0.0%	-
Property Insurance	426,287	7.3%	3,279	431,039	6.6%	3,316	245,993	4.5%	1,892
Structural Reserves	-	0.0%	-	-	0.0%	-	-	0.0%	-
Total Fixed Expenses	426,287	7.3%	\$3,279	431,039	6.6%	\$3,316	245,993	4.5%	\$1,892
Total Expenses	\$4,234,132	72.1%	\$32,570	\$4,666,437	71.9%	\$35,896	\$3,774,684	69.1%	\$29,036
Net Operating Income	\$1,637,399	27.9%	\$12,595	\$1,823,352	28.1%	\$14,026	\$1,689,929	30.9%	\$12,999

Annualized Amounts Represent 5 Months (Jan. through May 2007)

* Except for guaranteed payment for P Dock, the costs of sales percentages represent the percentage of costs as related to the respective sales from that department.

Source: Operating Statements

The subject's historical data reflects general consistency in most all categories. Due to the mixed use nature of the subject, a direct comparison with marinas or retail/office properties would not be possible. As such, we have relied upon the trends established at the subject, which reflect a consistent and well managed operation.

COST OF SALES

Dockage Cost of Sales

Dockage cost of sales involves the payroll and payroll expenses associated with a portion of the maintenance personnel and operational personnel used at the dock and the fuel dock. The table below details the subject's historical cost of sales for this departmental category.

COST OF SALES - DOCKAGE		
Year	As a % of Dept. Revenue	Per Available Slip
2005	12.8%	\$2,460
2006	26.0%	\$2,810
2007 Annualized	21.9%	\$2,285
CB Richard Ellis, Inc. Estimate	23.8%	\$2,615
Compiled by CBRE		

Fuel Cost of Sales

In this instance, the cost of sales is related to the cost of the fuel delivered to the site for resale. The table below details the subject's historical cost of sales for this departmental category.

COST OF SALES - FUEL		
Year	As a % of Dept. Revenue	Per Available Slip
2005	73.1%	\$14,075
2006	70.5%	\$15,555
2007 Annualized	70.2%	\$11,497
CB Richard Ellis, Inc. Estimate	70.5%	\$15,192
Compiled by CBRE		

Utilities Cost of Sales

The subject operates its own desalination plant for water to the various components. In addition, the cost of trash removal is included or the retail/office tenants and electricity is included for this service provided to the docks.

COST OF SALES - UTILITIES - DOCKS		
Year	As a % of Dept. Revenue	Per Available Slip
2005	41.1%	\$1,288
2006	40.6%	\$1,530
2007 Annualized	35.2%	\$1,076
CB Richard Ellis, Inc. Estimate	40.0%	\$1,538
Compiled by CBRE		

COST OF SALES - UTILITIES - RETAIL/OFFICE		
Year	As a % of Dept. Revenue	\$/SF
2005	48.2%	\$1.52
2006	48.7%	\$1.51
2007 Annualized	50.0%	\$1.30
CB Richard Ellis, Inc. Estimate	46.2%	\$1.54
Compiled by CBRE		

Merchandise Cost of Sales

The merchandise sold at the subject consists of T-shirts, minor and small boat parts and accessories, and various marine related items. The table below details the subject's historical cost of sales for this departmental category.

COST OF SALES - MERCHANDISE		
Year	As a % of Dept. Revenue	Per Available Slip
2005	58.2%	\$366
2006	55.6%	\$409
2007 Annualized	53.4%	\$394
CB Richard Ellis, Inc. Estimate	55.3%	\$404
Compiled by CBRE		

Retail/Office Cost of Sales

Retail/office cost of sales involves the payroll and payroll expenses associated with a portion of the maintenance personnel and operational personnel used at the building improvements. The table below details the subject's historical cost of sales for this departmental category.

COST OF SALES - RETAIL/OFFICE		
Year	As a % of Dept. Revenue	\$/SF
2005	24.7%	\$5.44
2006	24.5%	\$5.65
2007 Annualized	21.6%	\$4.75
CB Richard Ellis, Inc. Estimate	22.4%	\$5.66
Compiled by CBRE		

Miscellaneous/Other Income Cost of Sales

This category includes the cost of items used for boat services. The table below details the subject's historical cost of sales for this departmental category.

MISCELLANEOUS OPERATING		
Year	As a % of Dept. Revenue	Per Available Slip
2005	32.5%	\$89
2006	30.7%	\$125
2007 Annualized	39.6%	\$112
CB Richard Ellis, Inc. Estimate	34.0%	\$131
Compiled by CBRE		

Guaranteed Payment – P Dock

P Dock is leased to the owner's of the subject property through a management agreement. The agreement calls for monthly payments escalated annually based on CPI. The current monthly rate is \$9,925, increasing in August 2007.

GUARANTEED PAYMENT - P DOCK		
Year	As a % of Total Revenue	Per Available Slip
2005	1.9%	\$869
2006	2.0%	\$895
2007 Annualized	1.8%	\$810
CB Richard Ellis, Inc. Estimate	1.8%	\$939
Compiled by CBRE		

We have estimate the guaranteed payment at \$9,925 for the next two months with an increase in August at 3% for the remaining 10 months.

Unallocated Operating Expenses

Unallocated operating expenses are typically not directly related to an associated revenue source, but can be compared on the basis of total revenues for similar types of marinas. These expenses are therefore compared and estimated as a percentage of total revenues.

Utility Costs

Utility costs include the expenses incurred in providing electric, water and sewer to common areas. The subject's projected expense as a percentage of total revenues, on a per available slip basis are summarized below:

UTILITIES EXPENSE		
Year	As a % of Total Revenue	Per Available Slip
2005	1.2%	\$552
2006	1.4%	\$688
2007 Annualized	1.2%	\$492
CB Richard Ellis, Inc. Estimate	1.1%	\$580
Compiled by CBRE		

The stabilized estimate is based on the net utility cost to the un-metered common areas of the property.

Property Repairs and Maintenance

Property repairs and maintenance includes all labor costs not previously allocated, benefits, and supplies associated with repairs and maintenance, and landscaping. The subject's projected expense as a percentage of total revenues, and on per available slip basis is summarized as follows:

REPAIR & MAINTENANCE EXPENSE		
Year	As a % of Total Revenue	Per Available Slip
2005	0.9%	\$407
2006	0.9%	\$430
2007 Annualized	0.8%	\$333
CB Richard Ellis, Inc. Estimate	0.9%	\$458
Compiled by CBRE		

In estimating stabilized maintenance and repairs expenses for the subject property, we have considered the subject's actual historical data. Our pro forma estimate is slightly above the historical amount and considers the type of construction and required maintenance to keep the structures and dock in good operational condition.

Marketing Expenses

Marketing expenses include advertising, public relations, and direct marketing costs. This expense includes both the labor component as well as actual hard costs. The subject's projected expense as a percentage of total revenues is summarized as follows:

MARKETING EXPENSE		
Year	As a % of Total Revenue	Per Available Slip
2005	0.7%	\$317
2006	0.8%	\$410
2007 Annualized	1.0%	\$414
CB Richard Ellis, Inc. Estimate	0.9%	\$458
Compiled by CBRE		

An increase in the marketing expense may help maintain the estimated rent levels and occupancy at the retail/office portion of the subject as well as the docks.

Management Fees

Management fees for marinas typically range from 3.0% to 6.0% of total revenues. We have considered the subject property consuming a reasonable amount of the owner's time for task such as hiring personnel, directing the operations and generally overseeing the investment. These tasks typically are the task covered under the management fees. Our pro forma management fees are shown as follows:

MANAGEMENT FEE EXPENSE		
Year	As a % of Total Revenue	Per Available Slip
2005	1.8%	\$804
2006	1.8%	\$895
2007 Annualized	7.3%	\$3,052
CB Richard Ellis, Inc. Estimate	4.0%	\$2,039
Compiled by CBRE		

Historically, the subject has incurred management expenses of 1.8% of total revenues; however, in 2007 the management fee was increased to 8% of total revenues. This is beyond the range typically seen and was not utilized in estimating the typical marketing expense. We feel the subject property should provide for a management fee near the middle of the typical range and have based this expense on 4% of total revenues.

Administrative and General Expenses

Administrative and general expenses include onsite office operation costs, security, sign rentals, credit card commissions, accounting and legal costs, and any other costs not directly attributed to a specific department or other expense category. The subject's historical and projected expense as a percentage of total revenues and per available slip is summarized below:

ADMINISTRATIVE & GENERAL EXPENSE		
Year	As a % of Total Revenue	Per Available Slip
2005	4.3%	\$1,947
2006	5.0%	\$2,497
2007 Annualized	2.9%	\$1,239
CB Richard Ellis, Inc. Estimate	3.0%	\$1,529
Compiled by CBRE		

The stabilized estimate is primarily based on the subject's actual historical data as a percentage of total revenue.

Gross Receipts Tax Expense

This expense includes the taxes imposed by the local government on revenue received from all sources except fuel. The subject's historical and projected expense as a percentage of total revenues and per available slip is summarized below:

GROSS RECEIPTS TAX		
Year	As a % of Total Revenue	Per Available Slip
2005	1.8%	\$791
2006	1.8%	\$912
2007 Annualized	1.6%	\$691
CB Richard Ellis, Inc. Estimate	1.8%	\$918
Compiled by CBRE		

Payroll Expense

Payroll Expense includes all personnel need to prudently manage and operate a retail/office project and marina, as well as payroll taxes and benefits. This category includes payroll and payroll expense not allocated to any specific department. The subject's payroll expense is as shown as follows:

PAYROLL EXPENSE		
Year	As a % of Total Revenue	Per Available Slip
2005	5.1%	\$2,316
2006	4.7%	\$2,343
2007 Annualized	5.1%	\$2,126
CB Richard Ellis, Inc. Estimate	4.8%	\$2,447
Compiled by CBRE		

Land Lease

This expense includes the lease payments to the Coastal Zone Management Commission for the submerged land on which the marina is constructed. The subject's land lease expense is as shown as follows:

LAND LEASE		
Year	As a % of Total Revenue	Per Available Slip
2005	1.0%	\$474
2006	0.9%	\$474
2007 Annualized	1.0%	\$419
CB Richard Ellis, Inc. Estimate	0.9%	\$474
Compiled by CBRE		

Fixed Charges

Fixed charges are typically not directly related to an associated revenue source, and are typically not compared on the basis of total revenues for similar types of marinas. These expenses are therefore not typically compared, but have been estimated as a percentage of total revenues for illustration purposes.

Real Estate Taxes

Real estate taxes are a function of the assessor's estimate of value. In this instance, the subject is exempt from real estate taxes until December 31, 2011. We have further assumed the exemption will be extended and the 100% exemption from real estate taxes will continue.

Insurance Costs

Insurance costs include liability and property damage but exclude mortgage insurance. The subject's projected expense as a percentage of total revenues is summarized below:

PROPERTY INSURANCE EXPENSE		
Year	As a % of Total Revenue	Per Available Slip
2005	7.3%	\$3,279
2006	6.6%	\$3,316
2007 Annualized	4.5%	\$1,892
CB Richard Ellis, Inc. Estimate	7.0%	\$3,577
Compiled by CBRE		

The subject's historical expense is in line with the historical insurance premiums. According to the general manager and a review of the 2007 budget, insurance expense is expected to increase to approximately \$465,000 per year. Our pro forma estimate is based on the new, higher premiums due to take effect in June 2007.

Structural Reserves

Structural reserves account for the replacement of short-lived items, including the ships store/office building roof, mooring pylons and dockage. This expense has been estimated in terms of a percentage of total revenue. The estimated structural reserves are summarized as follows:

STRUCTURAL RESERVES		
Year	As a % of Total Revenue	Per Available Slip
2005	0.0%	\$0
2006	0.0%	\$0
2007 Annualized	0.0%	\$0
CB Richard Ellis, Inc. Estimate	0.9%	\$466
Compiled by CBRE		

Reserves were based on \$0.25 per square foot for the building improvements and 1% of the total revenues from marina operations.

OPERATING EXPENSE CONCLUSION

The subject's expense history and the pro forma estimate are detailed as follows:

TOTAL EXPENSES		
Year	As a % of Total Revenue	Per Available Slip
2005	72.1%	\$32,570
2006	71.9%	\$35,896
2007 Annualized	69.1%	\$29,036
CB Richard Ellis, Inc. Estimate	71.4%	\$36,390
Compiled by CBRE		

Total expenses are slightly higher than historical data due to higher insurance and the inclusion of structural reserves.

NET OPERATING INCOME CONCLUSION

The subject's net operating income history and the pro forma estimate are detailed as follows:

NET OPERATING INCOME		
Year	As a % of Total Revenue	Per Available Slip
2005	27.9%	\$12,595
2006	28.1%	\$14,026
2007 Annualized	30.9%	\$12,999
CB Richard Ellis, Inc. Estimate	28.6%	\$14,583
Compiled by CBRE		

As a percentage of total revenues, the projected net income for the subject is above the historical data. Our pro forma estimate is approximately 4% higher than the most recent historical amount, reflective of the escalations in the lease rates for the retail/office space and slightly higher dockage rates. Thus, based on the line item analysis of the income and expense estimates utilized, our conclusion is considered reasonable.

DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. The following subsections represent different techniques for deriving an overall capitalization rate for direct capitalization.

Comparable Sales

The overall capitalization rates (OAR's) confirmed for the comparable sales analyzed in the Sales Comparison Approach are as follows:

COMPARABLE RETAIL CAPITALIZATION RATES				
Sale	Sale Date	Sale Price \$/SF	Occupancy	OAR
1	Feb-01	\$313.64	100%	0.00%
2	Feb-01	\$306.13	100%	0.00%
3	Jun-07	\$249.09	100%	8.49%
4	Jun-07	\$210.10	0%	0.00%
Indicated OAR:			89%	8.50%
Compiled by: CBRE				

COMPARABLE MARINA CAPITALIZATION RATES				
Sale	Sale Date	Sale Price \$/SF	Occupancy	OAR
1	Jan-05	\$131,810	0%	0.00%
2	Jul-05	\$47,619	98%	8.89%
3	Feb-06	\$98,958	0%	0.00%
4	May-06	\$90,909	0%	0.00%
Indicated OAR:			89%	9.00%
Compiled by: CBRE				

There was very little data available in either marina sales or retail/office sales. Only one sale from each category indicated an overall rate. The overall rate for the retail/office sale is a small center with only 12 tenants as opposed to 38 tenants at the subject. A larger number of tenants, all else being equal, increases the risk associated with the income stream. As such, the overall rate for the retail/office aspect of the subject should be slightly higher than the only indication from the sales. On the marina side, the only sale indicating an overall rate has some slips out of service at the time of sale. As such, the pro forma income was lower, resulting a slightly lower overall rate. Based on the limited data from this comparison, very little emphasis was placed on the overall rate indicated by improved sales.

Published Investor Surveys

The results of the most recent *National Investor Survey*, published by CBRE, are summarized in the following chart.

OVERALL CAPITALIZATION RATES		
Investment Type	OAR Range	Average
<i>CBRE Strip Centers</i>		
Class A	6.50% - 8.50%	7.33%
Class B	7.00% - 8.50%	7.79%
Class C	8.00% - 9.00%	8.50%
<i>Korpacz Strip Shopping Center</i>		
National Data	5.80% - 9.00%	7.27%
Indicated OAR:		9.00%
Source: CBRE National Investor Survey & Korpacz Real Estate Investor Survey		

The subject is considered to be a Class B/C property primarily due to its location on the far eastern end of St. Thomas and a distance away from the major retail and office developments such as Havensight and Charlotte Amalie. Because of the subject's somewhat remote location, an OAR near

the upper portion of the range indicated by Class C properties in the preceding table is considered appropriate.

Band of Investment

The band of the investment technique has been utilized as a cross-check to the foregoing technique. The analysis is shown in the following table.

BAND OF INVESTMENT			
Mortgage Interest Rate	6.50%		
Mortgage Term (Amortization Period)	25 Years		
Mortgage Ratio (Loan-to-Value)	75%		
Mortgage Constant	0.08102		
Equity Capitalization Rate	12%		
Mortgage Requirement	75%	x	0.08102 = 0.06077
Equity Requirement	25%	x	0.12000 = 0.03000
	100%		0.09077
Indicated OAR:			9.10%
Compiled by: CBRE			

CAPITALIZATION RATE CONCLUSION

The following table summarizes the OAR conclusions.

OVERALL CAPITALIZATION RATE - CONCLUSION	
Source	Indicated OAR
Comparable Sales - Retail	8.50%
Comparable Sales - Marinas	9.00%
National Investor Survey	9.00%
Band of Investment	9.10%
CBRE Estimate	9.00%
Compiled by: CBRE	

DIRECT CAPITALIZATION SUMMARY

A summary of the direct capitalization of the subject at stabilized occupancy is illustrated in the following table.

DIRECT CAPITALIZATION SUMMARY - DOCKS & RETAIL/OFFICE			
No. Slips			130
Total LF Occupied			1,609,212
Rate/LF			\$0.89
Avg. Occupancy			80.0%
	<u>% Rev</u>	<u>\$/Avail. Slip</u>	<u>Total</u>
Revenues			
Dockage	21.6%	\$10,988	\$1,428,500
Fuel Sales	42.3%	\$21,538	2,800,000
Utility Sales - Docks	7.5%	\$3,846	500,000
Utilities - Retail/Office	2.4%	\$1,215	158,000
Merchandise	1.4%	\$731	95,000
Retail/Office Rental Income	18.1%	\$9,215	1,197,902
Storage Rental Income	1.6%	\$808	105,000
Parking Income	0.8%	\$385	50,000
CAM Reimbursement	3.7%	\$1,862	242,000
Other Income	0.8%	\$385	50,000
Total Revenues	100.0%	\$50,972	\$6,626,402
Cost of Sales*			
Dockage	23.8%	\$2,615	\$340,000
Fuel	70.5%	\$15,192	1,975,000
Utilities - Docks	40.0%	\$1,538	200,000
Utilities - Retail/Office	46.2%	\$562	73,000
Merchandise	55.3%	\$404	52,500
Retail/Office	22.4%	\$2,062	268,000
Miscellaneous Operating	34.0%	\$131	17,000
Guaranteed Payment - P Dock	1.8%	\$939	122,100
Total Cost of Sales	46.0%	\$23,443	\$3,047,600
Gross Operating Income	54.0%	\$27,529	\$3,578,802
Unallocated Expenses			
Utilities	1.1%	\$580	\$75,400
Repair & Maintenance	0.9%	\$458	59,600
Marketing	0.9%	\$458	59,600
Management Fee	4.0%	\$2,039	265,100
Administrative & General	3.0%	\$1,529	198,800
Gross Receipts Tax	1.8%	\$918	119,300
Payroll	4.8%	\$2,447	318,100
Land Lease	0.9%	\$474	61,575
Total Unallocated Expenses	17.5%	\$8,904	\$1,157,475
Income Before Fixed Expenses	36.5%	\$18,626	\$2,421,327
Fixed Expenses			
Real Estate Taxes	0.0%	\$0	\$0
Property Insurance	7.0%	\$3,577	465,000
Structural Reserves	0.9%	\$466	60,571
Total Fixed Expenses	7.9%	\$4,043	\$525,571
Total Expenses	71.4%	\$36,390	\$4,730,646
Net Operating Income	28.6%	\$14,583	\$1,895,756
OAR			/ 9.00%
Indicated Stabilized Value			\$21,063,956
Deferred Maintenance			-
Less Cost to Complete New Storage			(23,000)
Value Indication			\$21,040,956
Rounded			\$21,000,000
* Except for the guaranteed payment for P Dock, the costs of sales percentages represent the percentage of costs as related to the respective sales from that department.			
Compiled by CBRE			

DISCOUNTED CASH FLOW ANALYSIS

The discounted cash flow analysis relies on a projection of net operating income over a fixed holding period and a future sale of the property at the end of the holding period. This is consistent with current investor trends for analyzing this property type. The discounted cash flow analysis takes into consideration the timing and degree of the projected changes in average income, occupancy, and expenses for the subject property.

Cash Flow Assumptions

The discounted cash flow analysis relies on the income and expense projections presented earlier in this section. Specific assumptions integral to the analysis are summarized as follows:

SUMMARY OF DISCOUNTED CASH FLOW ASSUMPTIONS	
General Assumptions	
Start Date	Jun-07
Terms of Analysis	10 Years
Basis	Fiscal
Software	Excel
Growth Rate Assumptions	
Income Growth	3.00%
Expense Growth	3.00%
Inflation (CPI)	3.00%
Real Estate Tax Growth	3.00%
Revenue Assumptions	
Wet Slip Rates/Foot/Month (Year 1)	\$27.00
Contract Retail/Office Rental Rates/SF/Year (Year 1) With Escalations	\$25.30
Retail/Office Market Rent (Bldgs. A thru E)	\$32.00
Retail/Office Market Rent (Bldg F)	\$21.00
Occupancy Assumptions	
Average Year 1 Occupancy - Marina	80.00%
Stabilized Occupancy	80.00%
Average Year 1 Occupancy - Retail/Office	100.00%
Stabilized Occupancy	96.50%
Estimated Stabilization	Jun-07
Financial Assumptions	
Discount Rate	11.50%
Terminal Capitalization Rate	9.50%
Other Assumptions	
Cost of Sale	3.00%
Capital Expenses (Deferred Maintenance)	(\$23,000)
Compiled by CBRE	

GENERAL ASSUMPTIONS

The DCF analysis utilizes a 10-year projection period with fiscal year inflation and discounting. This is consistent with current investor assumptions. The analysis is done with Excel software.

GROWTH RATE ASSUMPTIONS

The inflation and growth rates for the DCF analysis have been estimated by analyzing the expectations typically used by buyers and sellers in the local marketplace. Published investor surveys, an analysis of the Consumer Price Index (CPI), as well as CBRE's survey of brokers and investors active in the local market form the foundation for the selection of the appropriate growth rates.

SUMMARY OF GROWTH RATES			
Growth Rate Indicator	Rent	Expenses	General Inflation
US Department of Labor Statistics			
10-Year Average CPI			2.46%
<i>Strip Centers</i>			
Class A - Average	2.79%	2.64%	2.93%
Class B - Average	3.07%	2.50%	2.79%
Class C - Average	3.25%	2.58%	2.92%
Surveyed Market Participants	3.00%	3.00%	3.00%
CBRE Estimate	3.00%	3.00%	3.00%
Source: CBRE National Investor Survey & www.bls.gov			

Income and Expense Growth:

The estimated growth rates indicated above are based primarily on market participants. The surveyed market participants indicated the potential for income growth is favorable due to an expected increase in the number of registered boats, coupled with the decreasing supply of slips. The market participants indicated future growth in expenses should be in line with inflation, skewed slightly higher for location.

OCCUPANCY ASSUMPTIONS

The occupancy rate over the holding period is based on the subject's estimated stabilized occupancy rate and estimated lease-up period to achieve a stabilized occupancy position.

FINANCIAL ASSUMPTIONS

Discount Rate Analysis

The results of the most recent *National Investor Survey*, published by CBRE are summarized in the following table.

DISCOUNT RATES		
Investment Type	Rate Range	Average
<i>Strip Centers</i>		
Class A	10.00% - 11.50%	10.71%
Class B	11.00% - 12.50%	11.79%
Class C	11.25% - 14.50%	13.04%
CBRE Estimate		11.50%
Source: CBRE National Investor Survey		

There were no published rates for marinas; however, based on the similarity in overall rates from the limited sales data, the subject is considered to be a similar operation as a strip center investment and a Class B/C property in this property type. Because of the subject's has maintained a relatively stable income stream over the past two and a half years and occupancy is so high in the retail/office sector, a discount rate near the lower end of the range indicated by Class B/C investment type properties in the preceding table is considered appropriate.

Terminal Capitalization Rate

The reversionary value of the subject is based on an assumed sale at the end of the holding period based on capitalizing the Year 11 NOI at a terminal capitalization rate. Typically, for properties similar to the subject, terminal capitalization rates are 50 to 100 basis points higher than going-in capitalization rates (OAR's). This is a result of the uncertainty of future economic conditions and the natural aging of the property, but assuming adequate reserves have been utilized to keep the property in good operating condition.

TERMINAL CAPITALIZATION RATES		
Investor Survey	Rate Range	Average
<i>Strip Centers</i>		
Class A	9.00% - 10.00%	9.28%
Class B	9.50% - 10.75%	10.16%
Class C	10.00% - 12.50%	11.11%
CBRE Estimate		9.50%
Source: CBRE National Investor Survey		

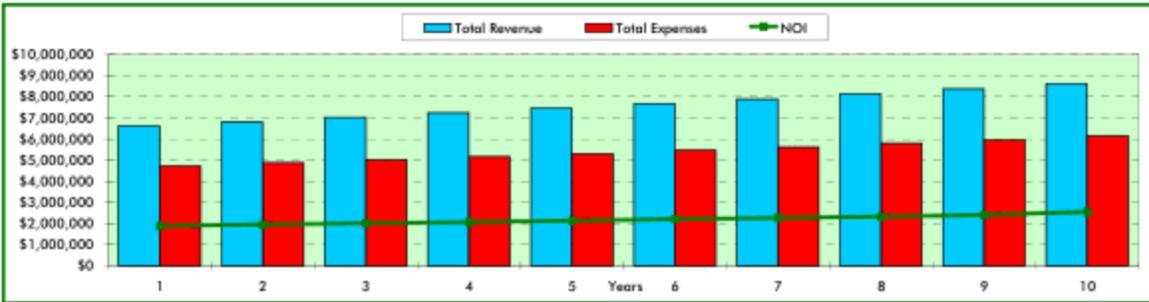
DISCOUNTED CASH FLOW CONCLUSION

The DCF schedule and value conclusions are depicted on the following page.

**AMERICAN YACHT HARBOR & MARINA
DISCOUNTED CASH FLOW ANALYSIS (LEASEHOLD ESTATE)
BEGINNING JUNE 2007**

YEAR	1	2	3	4	5	6	7	8	9	10	Reversion
Revenues											
Dockage	\$1,428,500	\$1,471,355	\$1,515,496	\$1,560,961	\$1,607,789	\$1,656,023	\$1,705,704	\$1,756,875	\$1,809,581	\$1,863,868	\$1,919,785
Fuel Sales	\$2,800,000	\$2,884,000	\$2,970,520	\$3,059,636	\$3,151,425	\$3,245,967	\$3,343,346	\$3,443,647	\$3,546,956	\$3,653,365	\$3,762,966
Utility Sales - Docks	\$500,000	\$515,000	\$530,450	\$546,364	\$562,754	\$579,637	\$597,026	\$614,937	\$633,385	\$652,387	\$671,958
Utilities - Retail/Office	\$158,000	\$162,740	\$167,622	\$172,651	\$177,830	\$183,159	\$188,730	\$194,545	\$200,605	\$206,920	\$213,490
Merchandise	\$95,000	\$97,850	\$100,786	\$103,809	\$106,923	\$110,131	\$113,435	\$116,838	\$120,343	\$123,953	\$127,672
Retail/Office Rental Income	\$1,197,902	\$1,233,839	\$1,270,854	\$1,308,980	\$1,348,249	\$1,388,697	\$1,430,358	\$1,473,268	\$1,517,466	\$1,562,990	\$1,609,880
Storage Rental Income	\$105,000	\$108,150	\$111,395	\$114,736	\$118,178	\$121,724	\$125,375	\$129,137	\$133,011	\$137,001	\$141,111
Parking Income	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339	\$65,239	\$67,196
CAM Reimbursement	\$242,000	\$249,260	\$256,738	\$264,440	\$272,373	\$280,544	\$288,961	\$297,629	\$306,558	\$315,755	\$325,228
Other Income	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339	\$65,239	\$67,196
Total Revenues	\$6,626,402	\$6,825,194	\$7,029,950	\$7,240,848	\$7,452,894	\$7,676,481	\$7,901,441	\$8,138,484	\$8,377,143	\$8,628,458	\$8,881,652
Departmental Expenses											
Dockage	\$340,000	\$350,200	\$360,706	\$371,527	\$382,673	\$394,153	\$405,978	\$418,157	\$430,702	\$443,623	\$456,932
Fuel	\$1,975,000	\$2,034,250	\$2,095,278	\$2,158,136	\$2,222,880	\$2,289,566	\$2,358,253	\$2,429,001	\$2,501,871	\$2,576,927	\$2,654,235
Utilities - Docks	\$200,000	\$206,000	\$212,180	\$218,545	\$225,102	\$231,855	\$238,810	\$245,975	\$253,354	\$260,955	\$268,783
Utilities - Retail/Office	\$73,000	\$75,190	\$77,049	\$78,609	\$80,000	\$81,132	\$82,000	\$82,616	\$83,080	\$83,400	\$83,580
Merchandise	\$52,500	\$54,075	\$55,697	\$57,368	\$59,089	\$60,862	\$62,688	\$64,568	\$66,505	\$68,501	\$70,556
Retail/Office	\$268,000	\$276,040	\$284,321	\$292,851	\$301,636	\$310,685	\$320,006	\$329,606	\$339,494	\$349,679	\$360,170
Miscellaneous Operating	\$17,000	\$17,510	\$18,035	\$18,576	\$19,134	\$19,708	\$20,299	\$20,908	\$21,535	\$22,181	\$22,847
Guaranteed Payment - P Dock	\$122,100	\$126,984	\$132,063	\$137,346	\$142,840	\$148,540	\$154,440	\$160,540	\$166,840	\$173,340	\$179,940
Total Departmental Expenses	\$3,047,600	\$3,140,249	\$3,225,329	\$3,323,410	\$3,416,920	\$3,520,801	\$3,620,006	\$3,730,035	\$3,835,281	\$3,951,825	\$4,063,481
Gross Operating Income	\$3,578,802	\$3,684,945	\$3,804,620	\$3,917,438	\$4,035,974	\$4,155,680	\$4,281,435	\$4,408,449	\$4,541,862	\$4,676,633	\$4,818,171
Unallocated Expenses											
Utilities	\$580 PAS	\$75,400	\$77,662	\$79,992	\$82,392	\$84,863	\$87,409	\$90,032	\$92,732	\$95,514	\$98,380
Repair & Maintenance	0.9% Rev	\$9,638	\$61,427	\$63,270	\$65,168	\$67,123	\$69,136	\$71,210	\$73,347	\$75,547	\$77,814
Marketing	0.9% Rev	\$9,638	\$61,427	\$63,270	\$65,168	\$67,076	\$69,088	\$71,113	\$73,246	\$75,394	\$77,556
Management Fee	4.0% Rev	\$265,056	\$273,008	\$281,198	\$289,634	\$298,116	\$307,059	\$316,058	\$325,539	\$335,086	\$345,138
Administrative & General	3.0% Rev	\$198,792	\$204,756	\$210,898	\$217,225	\$223,587	\$230,294	\$237,043	\$244,155	\$251,314	\$258,854
Gross Receipts Tax	1.8% Rev	\$119,275	\$122,853	\$126,539	\$130,335	\$134,152	\$138,177	\$142,226	\$146,493	\$150,789	\$155,312
Payroll	4.8% Rev	\$318,067	\$327,609	\$337,438	\$347,561	\$357,939	\$368,471	\$379,269	\$390,347	\$401,703	\$413,339
Lease	0.9% Rev	\$61,575	\$63,422	\$65,325	\$67,285	\$69,255	\$71,333	\$73,423	\$75,626	\$77,844	\$80,179
Total Unallocated Expenses	\$1,157,441	\$1,192,164	\$1,227,929	\$1,264,767	\$1,301,911	\$1,340,968	\$1,380,374	\$1,421,785	\$1,463,591	\$1,507,499	\$1,551,850
Income Before Fixed Expenses	\$2,421,361	\$2,492,781	\$2,576,691	\$2,652,671	\$2,734,063	\$2,814,712	\$2,901,061	\$2,986,664	\$3,078,271	\$3,169,134	\$3,266,320
Fixed Expenses											
Real Estate Taxes	0.0% Rev	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Insurance	7.0% Rev	\$466,000	\$478,950	\$493,319	\$508,118	\$523,362	\$539,062	\$555,234	\$571,891	\$589,048	\$606,720
Structural Reserves	0.9% Rev	\$60,571	\$62,388	\$64,260	\$66,188	\$68,173	\$70,218	\$72,325	\$74,495	\$76,730	\$79,031
Total Fixed Expenses	\$525,571	\$541,338	\$557,578	\$574,306	\$591,535	\$609,281	\$627,559	\$646,386	\$665,778	\$685,751	\$706,323
Total Expenses	\$4,730,612	\$4,873,751	\$5,010,837	\$5,162,483	\$5,310,366	\$5,471,050	\$5,627,939	\$5,798,206	\$5,964,650	\$6,145,075	\$6,321,655
Contracted Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Operating Income	\$1,895,790	\$1,951,443	\$2,019,113	\$2,078,366	\$2,142,529	\$2,205,431	\$2,273,501	\$2,340,278	\$2,412,494	\$2,483,383	\$2,559,997
Assumptions:											
Rooms Available											
Average Daily Rate	\$27.00	\$27.81	\$28.64	\$29.50	\$30.39	\$31.30	\$32.24	\$33.21	\$34.20	\$35.23	\$36.29
Occupancy	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Income Growth	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Expense Growth	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

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Sale / Yield Matrix			
IRR	Terminal Cap Rate		
	9.25%	9.50%	9.75%
11.25%	21,623,507	21,380,239	21,149,446
11.50%	21,283,849	21,045,980	20,820,310
11.75%	20,951,433	20,718,832	20,498,160

Reconciled Value Indication: **\$21,045,980**
 Cost to Complete Storage: **(\$23,000)**
 "As Is" Value Indication (Rounded): **\$21,000,000**

CONCLUSION OF INCOME CAPITALIZATION APPROACH

The conclusions via the valuation methods employed for this approach are as follows:

INCOME CAPITALIZATION APPROACH VALUES - AS STABILIZED	
Direct Capitalization Method	\$21,000,000
Discounted Cash Flow Analysis	\$21,000,000
Reconciled Value	\$21,000,000
Compiled by CBRE	

Primary emphasis has been placed on the Direct Capitalization method. This method is considered best to reflect the actions of buyers and sellers currently active in this market, especially when considering the subject at stabilized operating levels.

RECONCILIATION OF VALUE

The value indications from the approaches to value are summarized as follows:

SUMMARY OF VALUE CONCLUSIONS	
Appraisal Premise	As Is
Sales Comparison Approach	\$21,200,000
Income Capitalization Approach	\$21,000,000
Reconciled Value	\$21,000,000
Compiled by CBRE	

The Cost Approach typically reflects a reliable value indication when there is evidence for the replacement cost estimate and when there is minimal depreciation contributing to a loss in value which must be estimated. The subject improvements represent the highest and best use of the site, and there is a significant amount of depreciation noted. Considering the amount of depreciation present in the property, and the interest being appraised the reliability of the Cost Approach is suspect. Therefore, the Cost Approach is not considered applicable to the subject.

In the Sales Comparison Approach, the subject property is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are considered relatively comparable to the subject, and the required adjustments were based on reasonable and well-supported rationale. In addition, market participants are currently analyzing purchase prices on investment properties as they relate to available substitutes in the market. Therefore, the Sales Comparison Approach is considered to provide a reliable value indication, but has been given secondary emphasis in the final value reconciliation.

The Income Capitalization Approach is applicable to the subject property since it is an income producing property leased in the open market. Market participants are currently analyzing properties based on their income generating capability. Therefore, the Income Capitalization Approach is considered to be a reasonable and substantiated value indicator and has been equal weight in the final value estimate.

Based on the foregoing, the market value of the subject has been concluded as follows:

MARKET VALUE CONCLUSION				
Appraisal Premise	Interest Appraised	Date of Value	Exposure Time	Value Conclusion
As Is	Leased Fee/Leasehold Interest	June 19, 2007	9 Months	\$21,000,000
Compiled by CBRE				

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to total that would adversely affect marketability or value. CBRE is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. CBRE, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property. CBRE assumes no private deed restrictions, limiting the use of the subject property in any way.
2. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
3. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
4. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
5. CBRE is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
6. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. CBRE has no knowledge of the existence of such materials on or in the property. CBRE, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
7. We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. CBRE professionals are not engineers and are not competent to judge matters of an engineering nature. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of CBRE by ownership or management; CBRE inspected less than 100% of the entire interior and exterior portions of the improvements; and CBRE was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, CBRE reserves the right to amend the appraisal conclusions reported herein.

10. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, CBRE has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, CBRE reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify CBRE of any questions or errors.
11. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, CBRE will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
12. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
13. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. CBRE does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CBRE
14. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of CBRE to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to CBRE unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard

insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

19. CBRE assumes that the subject property analyzed herein will be under prudent and competent management and ownership; neither inefficient or super-efficient.
20. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to CBRE. This report may be subject to amendment upon re-inspection of the subject property subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
21. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor CBRE assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
22. The *Americans with Disabilities Act* (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, CBRE has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since CBRE has no specific information relating to this issue, nor is CBRE qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject property.
23. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client proximately result in damage to Appraiser. The Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover from the other reasonable attorney fees and costs.
24. The report is for the sole use of the client; however, client may provide complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by CBRE or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.
25. As part of the client's requested scope of work, an estimate of insurable value is provided herein. CBRE has followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry accepted publications such as the *Marshal Valuation Service* handbook. The methodology employed is a derivation of the cost approach which is primarily used as an academic exercise to help support the market value estimate and therefore is not reliable for Insurable Value estimates. Actual construction costs and related estimates can vary greatly from this estimate.

This analysis should not be relied upon to determine proper insurance coverage which can only be properly estimated by consultants considered experts in cost estimation and insurance underwriting. It is provided to aid the client/reader/user as part of their overall decision making process and no representations or warranties are made by CBRE regarding the accuracy of this estimate and it is strongly recommend that other sources be utilized to develop any estimate of insurable value.

ADDENDA

ADDENDUM A
GLOSSARY OF TERMS

assessed value Assessed value applies in ad valorem taxation and refers to the value of a property according to the tax rolls. Assessed value may not conform to market value, but it is usually calculated in relation to a market value base. †

cash equivalency The procedure in which the sale prices of comparable properties sold with atypical financing are adjusted to reflect typical market terms.

contract, coupon, face or nominal rent The nominal rent payment specified in the lease contract. It does not reflect any offsets for free rent, unusual tenant improvement conditions or other factors that may modify the effective rent payment.

coupon rent

See Contract, Coupon, Face or Nominal Rent

effective rent 1) The rental rate, net of financial concessions such as periods of no rent, during a lease term; may be calculated on a discounted basis, reflecting the time value of money, or on a simple, straight-line basis. † 2) The economic rent paid by the lessee when normalized to account for financial concessions, such as escalation clauses, and other factors. Contract, or normal, rents must be converted to effective rents to form a consistent basis of comparison between comparables.

face rent

See Contract, Coupon, Face or Nominal Rent

fee simple estate Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. †

floor area ratio (FAR) The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area; also called *building-to-land ratio*. †

full service lease A lease in which rent covers all operating expenses. Typically, full service leases are combined with an *expense stop*, the expense level covered by the contract lease payment. Increases in expenses above the expense stop level are passed through to the tenant and are known as *expense pass-throughs*.

going concern value Going concern value is the value of a proven property operation. It includes the incremental value associated with the business concern, which is distinct from the value of the real estate only.

Going concern value includes an intangible enhancement of the value of an operating business enterprise which is produced by the assemblage of the land, building, labor, equipment and marketing operation. This process creates an economically viable business that is expected to continue. Going concern value refers to the total value of a property, including both real property and intangible personal property attributed to the business value. †

gross building area (GBA) The sum of all areas at each floor as measured to the exterior walls.

insurable value Insurable Value is based on the replacement and/or reproduction cost of physical items that are subject to loss from hazards. Insurable value is that portion of the value of an asset or asset group that is acknowledged or recognized under the provisions of an applicable loss insurance policy. This value is often controlled by state law and varies from state to state. †

investment value Investment value is the value of an investment to a particular investor based on his or her investment requirements. In contrast to market value, investment value is value to an individual, not value in the marketplace. Investment value reflects the subjective relationship between a particular investor and a given investment. When measured in dollars, investment value is the price an investor would pay for an investment in light of its perceived capacity to satisfy his or her desires, needs or investment goals. To estimate investment value, specific investment criteria must be known. Criteria to evaluate a real estate investment are not necessarily set down by the individual investor; they may be established by an expert on real estate and its value, that is, an appraiser. †

leased fee

See leased fee estate

leased fee estate An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease. †

leasehold

See leasehold estate

leasehold estate The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions. †

load factor The amount added to usable area to calculate the rentable area. It is also referred to as a "rentable add-on factor" which, according to BOMA,

"is computed by dividing the difference between the usable square footage and rentable square footage by the amount of the usable area." Convert the figure into a percentage by multiplying by 100.

market value "as if complete" on the appraisal date Market value as if complete on the appraisal date is an estimate of the market value of a property with all construction, conversion or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value should reflect the market value of the property as if complete and prepared for occupancy by tenants.

market value "as is" on the appraisal date Market value "as is" on the appraisal date is an estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions or qualifications as of the date of appraisal.

market value Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: 1) a reasonable time is allowed for exposure in the open market; 2) both parties are well informed or well advised, and acting in what they consider their own best interests; 3) buyer and seller are typically motivated; 4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[§]

marketing period The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.[‡]

net lease A lease in which all or some of the operating expenses are paid directly by the tenant. The landlord never takes possession of the expense payment. In a *Triple Net Lease* all operating expenses are the responsibility of the tenant, including property taxes, insurance, interior maintenance and other

miscellaneous expenses. However, management fees and exterior maintenance are often the responsibility of the lessor in a triple net lease. A *Modified Net Lease* is one in which some expenses are paid separately by the tenant and some are included in the rent.

net rentable area (NRA) 1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms and lobby of the floor.*

nominal rent

See Contract, Coupon, Face or Nominal Rent

prospective future value "upon completion of construction" Prospective future value "upon completion of construction" is the prospective value of a property on the future date that construction is completed, based upon market conditions forecast to exist as of that completion date. The value estimate at this stage is stated in current dollars, unless otherwise indicated.

prospective future value "upon reaching stabilized occupancy" Prospective future value "upon reaching stabilized occupancy" is the prospective value of a property at a future point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy. The value estimate at this stage is stated in current dollars, unless otherwise indicated.

reasonable exposure time The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events, assuming a competitive and open market.^{††}

rent

See
full service lease
net lease
contract, coupon, face or nominal rent
effective rent

shell space Space which has not had any interior finishing installed, including even basic improvements such as ceilings and interior walls, partitions, floor coverings, wall coverings, etc.

usable area 1) The area actually used by individual tenants. 2) The Usable Area of an office building is computed by measuring to the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Excludes areas such as mechanical rooms, janitorial room, restrooms, lobby and any major vertical penetrations of a multi-tenant floor.^{*}

use value Use value is a concept based on the productivity of an economic good. Use value is the value a specific property has for a specific use. Use value focuses on the value the real estate contributes to the enterprise of which it is a part, without regard to the property's highest and best use or the monetary amount that might be realized upon its sale.[†]

value appraised During the real estate development process, a property typically progresses from a state of unimproved land to construction of improvements to stabilized occupancy. In general, the market value associated with the property increases during these stages of development. After reaching stabilized occupancy, ongoing forces affect the property during its life, including a physical wear and tear, changing market conditions, etc. These factors continually influence the property's market value at any given point in time.

See also

market value "as is" on the appraisal date

market value "as if complete" on the appraisal date

prospective future value "upon completion of construction"

prospective future value "upon reaching stabilized occupancy"

[†] *The Appraisal of Real Estate*, Twelfth Edition, Appraisal Institute, 2001.

[‡] *The Dictionary of Real Estate Appraisal*, Fourth Edition, 2002.

[§] The Office of the Comptroller of the Currency, 12 CFR Part 34, Subpart C, §34.42(f), August 24, 1990. This definition is compatible with the definition of market value contained in *The Dictionary of Real Estate Appraisal*, Third Edition, and the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of The Appraisal Foundation, 1992 edition. This definition is also compatible with the OTS, RTC, FDIC, NCUA, and the Board of Governors of the Federal Reserve System definition of market value.

^{*} 2000 BOMA Experience Exchange Report, Income/Expense Analysis for Office Buildings (Building Owners and Managers Association, 2000)

^{††} *Statement on Appraisal Standard No. 6*, Appraisal Standards Board of The Appraisal Foundation, September 19, 1992.

ADDENDUM B
ADDITIONAL PHOTOGRAPHS



VIEW OF THE UPLAND RETAIL/OFFICE AS SEEN FROM THE SLIP AREA



VIEW OF TENANT SPACE IN BUILDING D



VIEW OF TENANT SPACE IN BUILDING E



VIEW OF TENANT SPACE IN BUILDING F



VIEW OF BUILDING A



VIEW OF THE SLIPS AS SEEN FROM C DOCK LOOKING EAST



VIEW OF THE RED HOOK ROAD STREET FRONTAGE, LOOKING WEST



VIEW OF THE PARKING UNDER BUILDINGS B & C

ADDENDUM C
IMPROVED MARINA AND RETAIL/OFFICE SALES

Soverel Harbour Marina

Location Data

Location: **2385 PGA Blvd
Palm Beach Garden, FL 33410**
 County: **Palm Beach**
 Assessor's Parcel No: **52-43-42-05-00-100-0020**
 Atlas Ref: **N/A**



Physical Data

Type: **Marina**
 Land Area: **1.4400 Acres**
 Gross Building Area: **N/A**
 Unit of Measure: **Slip**
 No. of Slips: **77**
 Year Built: **1987**
 No. of Stories: **N/A**
 Parking: **72 surface**
 Condition: **Average**
 Exterior Walls: **N/A**

Financial Data

Source: **N/A**
 Occupancy at Sale: **N/A**
 Existing or ProForma Inc: **N/A**

	<u>Total</u>	<u>Per SF</u>
Potential Gross Income:	N/A	N/A
Vacancy and Credit Loss:	N/A	N/A
Effective Gross Income:	N/A	N/A
Expenses and Reserves:	N/A	N/A
Net Operating Income:	N/A	N/A

Sale Data

Transaction Type: **Sale**
 Date: **1/2005**
 Marketing Time: **6 months**
 Grantor: **Sharon Lynn Dalton**
 Grantee: **Downtown PSL, LLC**
 Document No.: **18083-0462**
 Sale Price: **\$10,149,367**
 Financing: **Cash to Seller**
 Cash Eq.Price: **\$10,149,367**
 Req.Capital Cost: **\$0**
 Adj. Sale Price: **\$10,149,367**
 Verification: **Stephen Vitale - [REDACTED]**

Analysis

Buyers Underwriting Criteria.: **Other**
 Overall Cap. Rate (OAR): **N/A**
 Projected IRR: **N/A %**
 Eff. Gross Multiplier (EGIM): **N/A**
 Oper. Expense Ratio (OER): **N/A %**
 Price Per Square Foot: **N/A**
 Price Per Slip: **\$131,810**

Comments

Soverel Harbour Marina is a protected marina located on the ICWW just north of the [REDACTED] Blvd. bridge in North Palm Beach Florida. This is a full service marina that offers underwater maintenance, boat detailing, fuel dock, ship store and gated entrance. The submerged land is owned by the marina. The facility offers slips for rent at a rate of \$16 to \$32 per foot and slips for sale for \$5,500 per foot. The company started selling the slips very recently and sold 2 slips as of June 19th 2006. This property sold in January 2005 for \$10,149,367 or \$131,810 per slip.

SPECIAL PURPOSE SALE No. 2

Mangrove Marina

Location Data

Location: **200 Florida Avenue
Tavernire,FI 33070**
 County: **Monroe**
 Assessor's Parcel No: **00479170, 90340, 479180**
 Atlas Ref: **N/A**



Physical Data

Type: **Marina**
 Land Area: **14.2000 Acres**
 Gross Building Area: **N/A**
 Unit of Measure: **Slip**
 No. of Slips: **210**
 Year Built: **1980**
 No. of Stories: **3**
 Parking: **Asphalt, Open**
 Condition: **Average**
 Exterior Walls:

Financial Data

Source:	Appraiser	
Occupancy at Sale:	98%	
Existing or ProForma Inc:	Pro Forma	
	<u>Total</u>	<u>Per SF</u>
Potential Gross Income:	\$1,481,520	N/A
Vacancy and Credit Loss:	\$74,076	N/A
Effective Gross Income:	\$1,407,444	N/A
Expenses and Reserves:	\$518,532	N/A
Net Operating Income:	\$888,912	N/A

Sale Data

Transaction Type: **Sale**
 Date: **7/2005**
 Marketing Time: **10 months**
 Grantor: **BBS Real Estate Holdings, LLC**
 Grantee: **Keys Marinas II, LLC**
 Document No.: **2138/323**
 Sale Price: **\$10,000,000**
 Financing: **Cash to Seller**
 Cash Eq.Price: **\$10,000,000**
 Req.Capital Cost: **\$0**
 Adj. Sale Price: **\$10,000,000**
 Verification: **Frank Rigo - [REDACTED]**

Analysis

Buyers Underwriting Criteria.:	Other
Overall Cap. Rate (OAR):	8.89 %
Projected IRR:	N/A %
Eff. Gross Multiplier (EGIM):	7.11
Oper. Expense Ratio (OER):	36.84 %
Price Per Square Foot:	N/A
Price Per Slip:	\$47,619

Comments

Mangrove Marina is located at Mile Marker 91.7 Bayside, north of the Overseas Highway. The marina features 130 wet slips and about 80 rack spaces. At the time of the sale, the marina had only 103 slips in working order, but repairs were being done to the damaged slips. Wet slips have water, electricity and cable to each slip and rack storage is a three levels, open rack system. Forklift capacity is 20,000 lbs, and there is a travelift for larger boats. Channel depth is 4' to 6' to the ICW. Ocean access is via Tavernier Creek, with a bridge height of 15' at low tide. The owners are contesting the deed and consider that they should own the submerged land. They intend to sell the slips individually when the contestation is resolved. This property sold in July 2005 for \$10,000,000 or \$47,619 per slip.

SPECIAL PURPOSE SALE No. 3

Great American Marina

Location Data

Location: **6810 Gulfport Blvd
South Pasadena, FL 33707**
 County: **Pinellas**
 Assessor's Parcel No: **30-31-16-00000-130-0900**
 Atlas Ref: **N/A**



Physical Data

Type: **Marina**
 Land Area: **4.3000 Acres**
 Gross Building Area: **28,675 SF**
 Unit of Measure: **Slip**
 No. of Slips: **140**
 Year Built: **1985**
 No. of Stories: **N/A**
 Parking: **Surface**
 Condition: **Average**
 Exterior Walls: **Metal**

Financial Data

Source: **N/A**
 Occupancy at Sale: **N/A**
 Existing or ProForma Inc: **N/A**

	<u>Total</u>	<u>Per SF</u>
Potential Gross Income:	N/A	N/A
Vacancy and Credit Loss:	N/A	N/A
Effective Gross Income:	N/A	N/A
Expenses and Reserves:	N/A	N/A
Net Operating Income:	N/A	N/A

Sale Data

Transaction Type: **Sale**
 Date: **2/2006**
 Marketing Time: **12 months**
 Grantor: **Corlin Enterprises Inc**
 Grantee: **Gulfport Marina LLC**
 Document No.: **14931-0409**
 Sale Price: **\$10,700,000**
 Financing: **Cash to Seller**
 Cash Eq.Price: **\$10,700,000**
 Req.Capital Cost: **\$0**
 Adj. Sale Price: **\$10,700,000**
 Verification: **Dustan McCoy - [REDACTED]**

Analysis

Buyers Underwriting Criteria.: **Other**
 Overall Cap. Rate (OAR): **N/A**
 Projected IRR: **N/A %**
 Eff. Gross Multiplier (EGIM): **N/A**
 Oper. Expense Ratio (OER): **N/A %**
 Price Per Square Foot: **\$373.15**
 Price Per Slip: **\$76,429**

Comments

In February 2006, Brunswick acquired Great American Marina, a 95-slip marina near St. Petersburg, Florida, in partnership with MarineMax, Inc. (MarineMax), which will operate the service portion of the property. This property is a 95-slip marina and large a capacity boatyard and showroom located near St. Petersburg, Florida. The marina is now the South Pasadena Marina. County record indicated 140 slips and a sale price of \$10,700,000, however, we verified with the seller that there actually were 96 slips and that the adjusted sale price was \$9,500,000 or \$98,958 per slip.

SPECIAL PURPOSE SALE No. 4

The Marina & Yacht Club

Location Data

Location:

County: **Brevard**
 Assessor's Parcel No: **N/A**
 Atlas Ref: **N/A**

Physical Data

Type: **Marina**
 Land Area: **4.6000 Acres**
 Gross Building Area: **N/A**
 Unit of Measure: **Slip**
 No. of Slips: **110**
 Year Built: **N/A** **4.6ac Upland, 10ac**
 No. of Stories: **N/A**
 Parking: **Parking for 162 cars**
 Condition: **Averag to good**
 Exterior Walls:



Financial Data

Source: **N/A**
 Occupancy at Sale: **N/A**
 Existing or ProForma Inc: **N/A**

	<u>Total</u>	<u>Per SF</u>
Potential Gross Income:	N/A	N/A
Vacancy and Credit Loss:	N/A	N/A
Effective Gross Income:	N/A	N/A
Expenses and Reserves:	N/A	N/A
Net Operating Income:	N/A	N/A

Sale Data

Transaction Type: **Sale**
 Date: **5/2006**
 Marketing Time: **6 months**
 Grantor: **N/A**
 Grantee: **N/A**
 Document No.: **N/A**
 Sale Price: **\$10,000,000**
 Financing: **Cash to Seller**
 Cash Eq.Price: **\$10,000,000**
 Req.Capital Cost: **\$0**
 Adj. Sale Price: **\$10,000,000**
 Verification: **Broker**

Analysis

Buyers Underwriting Criteria.: **Other**
 Overall Cap. Rate (OAR): **N/A**
 Projected IRR: **N/A %**
 Eff. Gross Multiplier (EGIM): **N/A**
 Oper. Expense Ratio (OER): **N/A %**
 Price Per Square Foot: **N/A**
 Price Per Slip: **\$90,909**

Comments

The Marina & Yacht Club offers 110 deep water slips, private club, in ground swimming pool, hot tub/jacuzzi, lighted tennis courts, indoor racquetball court, air conditioned clubhouse (5,000 sq. ft), lounge with large screen TV, full fitness center, laundry facility, rest rooms and showers. Both year round, season and transient dockage is available. Permits in place for 12 luxury waterfront units to the north and site for 42 units to the south. Additional slips or dry stacks may be constructed. The facility has parking for 162 cars. Pump out station & gasoline/diesel fuel dock are available.

Shopping Center Sales Summary

Sale No.	Name / Location	Trans Type Date	Year Built	Gross Leasable Area (SF)	Site Size (Acres)	Adj. Sales Price Occ. at Sale	NOI	Income Based On			Price PSF
								OAR	EGIM	OER	
1	Mongoose Junction II Across from Cruz Bay Commercial St. John, VI	Sale 2/2001	1988	22,000	N/A	\$6,900,000 100%	N/A	Existing N/A N/A N/A			\$313.64
2	Wharfside Village 4-A Cruz Bay Town St. John, VI	Sale 2/2001	1987	29,073	1.00	\$8,900,000 100%	N/A	Existing N/A N/A N/A			\$306.13
3	100 Blackbeards Hill 100 Blackbeards Hill St. Thomas, VI	Listing 6/2007	1984	8,832	0.80	\$2,200,000 100%	\$186,738	Pro Forma 8.49% 9.91 15.91%			\$249.09
4	Commercial Bldg. in Havensight Havensight St. Thomas, VI	Listing 6/2007	1973	3,308	0.08	\$695,000 N/A	N/A	N/A N/A N/A N/A			\$210.10

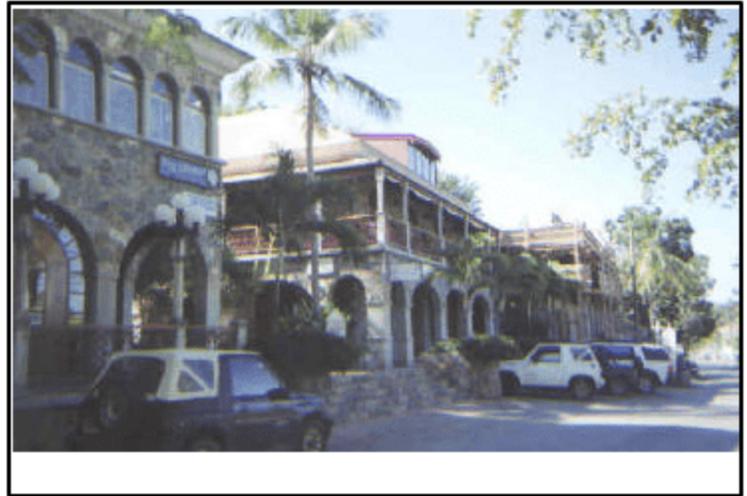
Mongoose Junction II

Location Data

Location: **Across from Cruz Bay Commercial St. John, VI 00830**
 County:
 Assessor's Parcel No: **N/A**
 Atlas Ref: **N/A**

Physical Data

Type: **Neighborhood/Community**
 Land Area: **N/A**
 Excess Land: **N/A**
 Gross Leasable Area:
 Anchors:
 Morgan's Mango



Anchor Tenant GLA: **N/A**
 Local Tenant GLA: **22,000 SF**
 Total GLA: **22,000 SF**
 GLA Purchased: **22,000 SF**
 Year Built: **1988**
 Parking: **Avg. to Good**
 Condition: **Very Good**
 Exterior Walls: **Stone & Cement**

Financial Data

Source: **Broker**
 Occupancy at Sale: **100%**
 Existing or ProForma Inc: **Existing**

	<u>Total</u>	<u>Per SF</u>
Potential Gross Income:	N/A	N/A
Vacancy and Credit Loss:	N/A	N/A
Effective Gross Income:	N/A	N/A
Expenses and Reserves:	N/A	N/A
Net Operating Income:	N/A	N/A

Sale Data

Transaction Type: **Sale**
 Date: **2/2001**
 Marketing Time: **N/A**
 Grantor: **N/A**
 Grantee: **Topa Equities (VI) LTD**
 Document No.: **N/A**
 Sale Price: **\$6,900,000**
 Financing: **Cash to Seller**
 Cash Eq. Price: **\$6,900,000**
 Req. Capital Cost: **\$0**
 Adj. Sale Price: **\$6,900,000**
 Verification: **Karye Carney, appraiser who I met**

Analysis

Buyers Underwriting Criteria.: **Direct Cap**
 Overall Cap. Rate (OAR): **N/A**
 Projected IRR: **N/A %**
 Eff. Gross Multiplier (EGIM): **N/A**
 Oper. Expense Ratio (OER): **N/A %**
 Price Per Square Foot: **\$313.64**

Comments

This sale comparable sold in February 2001 for \$6,900,000 or \$313.64 per square foot. The property is located across the street from Cruz Bay Marina in St. Johns, USVI. It is located about 1/4 mile from the Cruz Bay Ferry Dock. It is a good location. The stores are more tourist oriented than the subject, which caters more to local residents. The center is located adjacent to Mongoose Junction, which is not discernable as a separate property to the shopper. The market rent for typical in-line space is indicated to range from \$30.00/SF to \$45.00/SF on a triple-net basis, with the tenant responsible for base rent and individual utilities, as well as the prorata share of common area maintenance (CAM). The shopping center is reportedly 100% occupied and there is a waiting list for space.

Wharfside Village

Location Data

Location: **4-A Cruz Bay Town
St. John, VI 00830**

County:

Assessor's Parcel No: **N/A**

Atlas Ref: **N/A**



Physical Data

Type: **Neighborhood/Community**

Land Area: **1.00 Acres**

Excess Land: **N/A**

Gross Leasable Area:

Anchors:

Panini Beach	2,100 SF
Cafe Wahoo	4,000 SF

Anchor Tenant GLA: **6,100 SF**

Local Tenant GLA: **22,973 SF**

Total GLA: **29,073 SF**

GLA Purchased: **29,073 SF**

Year Built: **1987**

Parking: **Poor**

Condition: **Good**

Exterior Walls: **Wood & Masonry**

Financial Data

Source:	Broker
Occupancy at Sale:	100%
Existing or ProForma Inc:	Existing

	<u>Total</u>	<u>Per SF</u>
Potential Gross Income:	N/A	N/A
Vacancy and Credit Loss:	N/A	N/A
Effective Gross Income:	N/A	N/A
Expenses and Reserves:	N/A	N/A
Net Operating Income:	N/A	N/A

Sale Data

Transaction Type: **Sale**

Date: **2/2001**

Marketing Time: **N/A**

Grantor: **N/A**

Grantee: **N/A**

Document No.: **N/A**

Sale Price: **\$8,900,000**

Financing: **Cash to Seller**

Cash Eq. Price: **\$8,900,000**

Req. Capital Cost: **\$0**

Adj. Sale Price: **\$8,900,000**

Verification: **Richard Singerle, MAI**

Analysis

Buyers Underwriting Criteria.:	Direct Cap
Overall Cap. Rate (OAR):	N/A
Projected IRR:	N/A %
Eff. Gross Multiplier (EGIM):	N/A
Oper. Expense Ratio (OER):	N/A %
Price Per Square Foot:	\$306.13

Comments

This sale comparable is located waterfront and adjacent to the Cruz Bay Ferry Dock. It is considered a premier location for retail shops catering to tourists. The second floor space is currently being renovated and converted to apartments. On-site parking is poor. Most units are less than 500 SF. The retail space is 98% occupied. The current annual gross rent for this property is currently \$1,456,284, or \$50.09/SF. The property is a leasehold since the 1 acre site is leased until 2050. The acquisition was structured as a merger in order to avoid the \$180,000 in tax stamps. The purchase price is analyzed as follows:

Non-recourse first leasehold mortgage @ 7.84%: \$5,500,000
 Investment Equity: \$3,400,000
 Total Sale Price: \$8,900,000

RETAIL SALE No. 3

100 Blackbeards Hill

Location Data

Location: **100 Blackbeards Hill
St. Thomas, VI 00803**

County:

Assessor's Parcel No: **N/A**

Atlas Ref: **N/A**



Physical Data

Type:

Land Area: **0.80 Acres**

Excess Land: **N/A**

Gross Leasable Area:

Anchor Tenant GLA: **N/A**

Local Tenant GLA: **8,832 SF**

Total GLA: **8,832 SF**

GLA Purchased: **8,832 SF**

Year Built: **1984**

Parking: **20 spaces**

Condition: **Average**

Exterior Walls: **Concrete Block**

Sale Data

Transaction Type: **Listing**

Date: **6/2007**

Marketing Time: **N/A**

Grantor: **N/A**

Grantee: **N/A**

Document No.: **N/A**

Sale Price: **\$2,200,000**

Financing: **Not Available**

Cash Eq. Price: **\$2,200,000**

Req. Capital Cost: **\$0**

Adj. Sale Price: **\$2,200,000**

Verification: **Century 21 - Suter & Associates**

Financial Data

Source:	Appraiser	
Occupancy at Sale:	100%	
Existing or ProForma Inc:	Pro Forma	
	<u>Total</u>	<u>Per SF</u>
Potential Gross Income:	\$228,934	\$25.92
Vacancy and Credit Loss:	\$6,868	\$0.78
Effective Gross Income:	\$222,066	\$25.14
Expenses and Reserves:	\$35,328	\$4.00
Net Operating Income:	\$186,738	\$21.14

Analysis

Buyers Underwriting Criteria.:	Other
Overall Cap. Rate (OAR):	8.49 %
Projected IRR:	N/A %
Eff. Gross Multiplier (EGIM):	9.91
Oper. Expense Ratio (OER):	15.91 %
Price Per Square Foot:	\$249.09

Comments

This listing is located just north of Charlotte Amalie, near the Hospital. The building is three stories and has a galvanized roof, cistern, public utilities, and views of the cruise ship harbor. The building is also equipped with a 65K generator. Rental rates average \$25.92/SF/Year and expenses were estimated at \$4/SF/Year.

Commercial Bldg. in Havensight

Location Data

Location: **Havensight
St. Thomas,VI**
 County:
 Assessor's Parcel No: **N/A**
 Atlas Ref: **N/A**

Physical Data

Type:
 Land Area: **0.08 Acres**
 Excess Land: **N/A**
 Gross Leasable Area:



Financial Data

Source: **N/A**
 Occupancy at Sale: **N/A**
 Existing or ProForma Inc: **N/A**

	Total	Per SF
Potential Gross Income:	N/A	N/A
Vacancy and Credit Loss:	N/A	N/A
Effective Gross Income:	N/A	N/A
Expenses and Reserves:	N/A	N/A
Net Operating Income:	N/A	N/A

Anchor Tenant GLA: **N/A**
 Local Tenant GLA: **3,308 SF**
 Total GLA: **3,308 SF**
 GLA Purchased: **3,308 SF**
 Year Built: **1973**
 Parking: **On-site, adequate**
 Condition: **Good**
 Exterior Walls: **Concrete Block**

Sale Data

Transaction Type: **Listing**
 Date: **6/2007**
 Marketing Time: **N/A**
 Grantor: **N/A**
 Grantee: **N/A**
 Document No.: **N/A**
 Sale Price: **\$695,000**
 Financing: **Not Available**
 Cash Eq.Price: **\$695,000**
 Req.Capital Cost: **\$0**
 Adj. Sale Price: **\$695,000**
 Verification: **Centrury 21 - Sauter & Associates**

Analysis

Buyers Underwriting Criteria.: **Other**
 Overall Cap. Rate (OAR): **N/A**
 Projected IRR: **N/A %**
 Eff. Gross Multiplier (EGIM): **N/A**
 Oper. Expense Ratio (OER): **N/A %**
 Price Per Square Foot: **\$210.10**

Comments

This listing is a small office building in Havensight, with views of the cruise ship harbor and easy access to Charlotte Amalie and the east end of the island. The building is configured into two office suites, one on each level.

ADDENDUM D
COMPETITIVE MARINAS AND RETAIL/OFFICE RENTALS

SPECIAL PURPOSE COMPARABLE SUMMARY

No.	Name / Location	Building Size	Year Built	Number of Stories	Occupancy	Free Rent (Months)	TI/SF	Base Rent/SF
1	Compass Point Marina 6300 Frydenhof Red Hook,US	N/A		N/A	94.8%	N/A		\$18/FT Month
2	Crown Bay Marina Charlotte Amalie,US	N/A		N/A	N/A	N/A		\$25.50 FT/Month
3	La Vida Marine Center Red Hook,US	N/A		N/A	N/A	N/A		\$8 to \$12 FT/Month
4	Pirates Cove Marina Red Hook,US	N/A		N/A	93.3%	N/A		\$20-\$22/FT Month
5	Village Cay Marina Road Town,VI	N/A	1974	N/A	N/A	N/A		\$28.50 to \$45 Ft/Mon
6	Virgin Gorda Yacht Harbour Spanish Town,VI	N/A		N/A	N/A	N/A		\$27 to \$75 FT/Month



Compass Point Marina

Location Data

Location: **6300 Frydenhof
Red Hook,US**
 County: **St. Thomas**
 Assessor's Parcel No: **N/A**
 Atlas Ref: **N/A**



Physical Data

Type: **Marina**
 Gross Building Area: **N/A**
 Unit of Measure: **Slip**
 No. of Slip: **96**

 Year Built: **N/A**
 # of Stories: **N/A**
 Parking: **N/A**
 Condition:
 Exterior Walls:

Occupancy / Lease Data

Occupancy: **94.8%**
 Typical Size: **N/A**
 Term: **N/A**
 Base Rent PSF: **\$18/FT Month**
 Rent Escalations: **N/A**
 Basis: **N/A**
 Expense Pass-Thru: **N/A**
 Free Rent (months): **N/A**
 Tenant Improvement: **N/A**
 Leasing Agent: **Kevin Murphy**
 Phone No.: **[REDACTED]**
 Survey Date: **6/2007**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalations	Term (Yrs)
Slip	N/A	\$18/FT Month	N/A				

Comments

This marina is located in the lagoon behind Compass Point. It is also called Hurricane Hole and it is well protected. Amenities include water, electricity, pumpout, shops nearby, restaurants nearby, showers/bathrooms, and dive shop. This marina is secured behind a locked gate. The water was quoted as being shallow but could accomodate a vessel drawing a 2 foot draft.

Electric \$0.34 KWH
 Water \$0.14 Gal

Crown Bay Marina

Location Data

Location: **Charlotte Amalie, US**
 County: **St. Thomas**
 Assessor's Parcel No: **N/A**
 Atlas Ref: **N/A**

Physical Data

Type: **Marina**
 Gross Building Area: **N/A**
 Unit of Measure: **Slip**
 No. of Slip: **99**

 Year Built: **N/A**
 # of Stories: **N/A**
 Parking: **N/A**
 Condition:
 Exterior Walls:



Occupancy / Lease Data

Occupancy: **N/A**
 Typical Size: **N/A**
 Term: **N/A**
 Base Rent PSF: **\$25.50 FT/Month**
 Rent Escalations: **N/A**
 Basis: **N/A**
 Expense Pass-Thru: **N/A**
 Free Rent (months): **N/A**
 Tenant Improvement: **N/A**
 Leasing Agent: **N/A**
 Phone No.: **[REDACTED]**
 Survey Date: **6/2007**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalations	Term (Yrs)
Slip	N/A	\$25.50 FT/Month	N/A				

Comments

This marina is located on the south side of St. Thomas, immediately west of historic Charlotte Amalie Harbor and Hassel Island. Crown Bay is a large commercial and cruise ships port, on an historic second world war subbase site. The area has recently been developed to incorporate small enterprises and shops. Amenities include repairs, chandlery, water, fuel, electricity, pumpout, shops, restaurants, bar, direct broadcast satellite TV, highspeed broadband internet, laundry, dive shop and full service concierge. Can accomodate Mega-yachts up to 200 FT LOA and has a 315 FT high speed fuel dock.

Electricity is \$0.52 KWH
 Water is \$0.14 GAL.

La Vida Marine Center

Location Data

Location: **Red Hook,US**
 County: **St. Thomas**
 Assessor's Parcel No: **N/A**
 Atlas Ref: **N/A**



Physical Data

Type: **Marina**
 Gross Building Area: **N/A**
 Unit of Measure: **Slip**
 No. of Slip: **80**

 Year Built: **N/A**
 # of Stories: **N/A**
 Parking: **N/A**
 Condition:
 Exterior Walls:

Occupancy / Lease Data

Occupancy: **N/A**
 Typical Size: **N/A**
 Term: **N/A**
 Base Rent PSF: **\$8 to \$12 FT/Month**
 Rent Escalations: **N/A**
 Basis: **N/A**
 Expense Pass-Thru: **N/A**
 Free Rent (months): **N/A**
 Tenant Improvement: **N/A**
 Leasing Agent: **N/A**
 Phone No.: **[REDACTED]**
 Survey Date: **6/2007**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalations	Term (Yrs)
Slip	N/A	\$8 TO \$12 FT/Month	N/A				
Slip	N/A	\$0.50 FT/Day Transient	N/A				
Dry	N/A	\$13.25 FT Month	N/A				

Comments

This marina is located near Compass Point Marina on the east end of St. Thomas. Amenities include electricity, water, showers/bathrooms, bar and grill, full service boat yard, repairs, haul-out, 50 ton travelift/10 ton crane. This marina can accommodate yachts up to 60 FT.

Electricity - \$12 Day, \$50 Week, \$100 Month
 Water - \$0.12 Gal.

Pirates Cove Marina

Location Data

Location: **Red Hook,US**
 County: **St. Thomas**
 Assessor's Parcel No: **N/A**
 Atlas Ref: **N/A**

Physical Data

Type: **Marina**
 Gross Building Area: **N/A**
 Unit of Measure: **Slip**
 No. of Slip: **30**

 Year Built: **N/A**
 # of Stories: **N/A**
 Parking: **N/A**
 Condition:
 Exterior Walls:



Occupancy / Lease Data

Occupancy: **93.3%**
 Typical Size: **N/A**
 Term: **N/A**
 Base Rent PSF: **\$20-\$22/FT Month**
 Rent Escalations: **N/A**
 Basis: **N/A**
 Expense Pass-Thru: **N/A**
 Free Rent (months): **N/A**
 Tenant Improvement: **N/A**
 Leasing Agent: **N/A**
 Phone No.: **[REDACTED]**
 Survey Date: **6/2007**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalations	Term (Yrs)
Slip	N/A	\$795/Flat Rate Month	N/A				

Comments

This marina is located on the east end of St. Thomas, minutes away from Redhook, and sheltered by Cas Cay, easily approachable through Benner Bay. Amenities include water, electric, gasoline/diesel fuel, boat sales and rentals, hotel rooms, bar and grill, general store, gift shop and boutique.

Electric \$0.40 KWH
 Water \$0.16 Gal

Village Cay Marina

Location Data

Location: **Road Town,VI**
 County: **Tortola**
 Assessor's Parcel No: **N/A**
 Atlas Ref: **N/A**



Physical Data

Type: **Marina**
 Gross Building Area: **N/A**
 Unit of Measure: **Slip**
 No. of Slip: **106**

 Year Built: **1974**
 # of Stories: **N/A**
 Parking: **N/A**
 Condition:
 Exterior Walls:

Occupancy / Lease Data

Occupancy: **N/A**
 Typical Size: **N/A**
 Term: **N/A**
 Base Rent PSF: **\$28.50 to \$45 Ft/Mon**
 Rent Escalations: **N/A**
 Basis: **N/A**
 Expense Pass-Thru: **N/A**
 Free Rent (months): **N/A**
 Tenant Improvement: **N/A**
 Leasing Agent: **N/A**
 Phone No.: **[REDACTED]**
 Survey Date: **N/A**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalations	Term (Yrs)
Slip	N/A	\$28.50 Month	\$28.50			0 FT to 55 FT	
Slip	N/A	\$45 Month	\$45.00			56 FT & UP	
Slip	N/A	\$24 Annual	\$24.00			0 FT to 55 FT	
Slip	N/A	\$45 Annual	\$45.00			56 FT & UP	

Comments

This marina is situated directly in the heart of Road Town in Tortola, BVI. Amenities include laundry, shower/bathrooms, electricity, water, telephones, fuel, security, maintenance, hotel, restaurant/bar. Shops, restaurants, grocery store and banks nearby.

Virgin Gorda Yacht Harbour

Location Data

Location: **Spanish Town,VI**
 County: **Virgin Gorda**
 Assessor's Parcel No: **N/A**
 Atlas Ref: **N/A**



Physical Data

Type: **Marina**
 Gross Building Area: **N/A**
 Unit of Measure: **Slip**
 No. of Slip: **111**

 Year Built: **N/A**
 # of Stories: **N/A**
 Parking: **N/A**
 Condition:
 Exterior Walls:

Occupancy / Lease Data

Occupancy: **N/A**
 Typical Size: **N/A**
 Term: **N/A**
 Base Rent PSF: **\$27 to \$75 FT/Month**
 Rent Escalations: **N/A**
 Basis: **N/A**
 Expense Pass-Thru: **N/A**
 Free Rent (months): **N/A**
 Tenant Improvement: **N/A**
 Leasing Agent: **N/A**
 Phone No.: **[REDACTED]**
 Survey Date: **6/2007**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalations	Term (Yrs)
Slip	N/A	\$27 to \$40.50 Month	N/A			0 FT to 51 FT	
Slip	N/A	\$60 Month	N/A			52 FT to 75 FT	
Slip	N/A	\$75 Month	N/A			76 FT & UP	
Slip	N/A	\$24 to \$36 Annual	N/A			0 FT to 51 FT	

Comments

This marina is located in Spanish Town on the south end of Virgin Gorda and can accommodate megayachts up to 160 FT. Amenities include water, electric, cable TV, fuel, laundry, photo service, dive shop, boutiques, drug store, showers/bathrooms, 10 acre serviced boat yard, dry rack storage, 70 ton travelift, storage units, marine store, bank/ATM, chandlery, provisioning, food market, free wireless internet, restaurant and pub with entertainment.

Electric 110 Volt \$10/Day
 Electric 220 Volt \$15/Day
 Water \$0.15/Gal

RETAIL COMPARABLE SUMMARY

Rental No.	Name / Location	Building Size (GLA)	Year Built	Local Occupancy	Overall Occupancy	Anchor Tenant	TI/SF	Base Rent/SF
1	East End Plaza Road 30 Across from St. John Ferry Red Hook,US	72,000	2007	In Lease	N/A	Bank,Bank	None	\$50-\$65/SF
2	Fort Mylner Shopping Center Weymouth-Rhymer Highway and Charlotte Amalie,US	26,200	1966	N/A	97.71%	Silk Greenery,Cloth Horse	None	\$21.00 - \$26.00
3	Havensight Mall Along Side The Cruise Ship Dock Charlotte Amalie,US	260,000	1980	N/A	100%		Negotiable	\$40.00 - \$60.00
4	Lockart Gardens Shopping Center Weymouth-Rhymer Highway and SR 313 Charlotte Amalie,US	85,000	1972	N/A	98.5%	Kmart,Foot Locker	None	\$26.00 - \$31.00
5	Nisky Center Road 30 West Of Charlotte Amalie Charlotte Amalie,US	123,787	1988	N/A	93%	US Immigration	None	\$35.00 - \$40.00
6	Red Hook Plaza Red Hook Road Across From American Red Hook,US	36,000	1976	N/A	100%	Banco Popular,Ace Hardware	None	\$28.00 - \$32.00

East End Plaza

Location Data

Location: **Road 30 Across from St. John Ferry
Red Hook,US**
 County: **St. Thomas**
 Assessor's Parcel No: **N/A**
 Atlas Ref: **N/A**

Physical Data

Type:
 Gross Leaseable Area: **72,000 SF**
 Year Built: **2007 Under Construction**
 Exterior Walls: **Masonry**
 Condition: **Excellent**
 Parking: **2nd Level**
 Anchors:
 Bank **5,000 SF**
 Bank **5,000 SF**

 Anchor Tenant GLA: **10,000 SF**
 Local Tenant GLA: **62,000 SF**
 Total GLA: **72,000 SF**



Lease Data

Occupancy:
 Local: **In Lease Up**
 Overall: **N/A**
 Typical Size: **N/A**
 Term: **Negotiable**
 Base Rent PSF: **\$50-\$65/SF**
 Rent Escalations: **CPI**
 Basis: **Triple Net**
 Expense Pass-Thru: **\$5.00**
 Free Rent (months): **None**
 Tenant Improvement: **None**
 Leasing Agent: **Bill Otto**
 Phone No.: **(340) 774-444**
 Survey Date: **6/2007**

Comments

This retail center is currently under construction and is scheduled for delivery in December 2007. It is located in Red Hook, east end of St. Thomas, opposite the St. John Ferry Dock. This center is a three-story elevator building with approximately 72,000 SF and a tenant mix of office, commercial and retail. The third floor level is office space, second floor parking level is office/commercial and the first floor has a covered walkway and is mostly retail. This center is in lease up and the agent stated they have signed on two banks, several fast food restaurants, several economic groups and many locals with established businesses moving from the heart of town in Charlotte Amalie. Rental rates in this center range from \$50 to \$65 SF with a \$5.00 CAM. Taxes and insurance are not included in CAM and were quoted as being an additional \$3.00 to \$4.00.

Fort Mylner Shopping Center

Location Data

Location: **Weymouth-Rhymer Highway and
Charlotte Amalie, US**
 County: **St. Thomas**
 Assessor's Parcel No: **N/A**
 Atlas Ref: **N/A**



Physical Data

Type:
 Gross Leaseable Area: **26,200 SF**
 Year Built: **1966 Renovated 1996**
 Exterior Walls: **Masonry**
 Condition: **Good**
 Parking: **Good**
 Anchors:
 Silk Greenery
 Cloth Horse
 CommoLoco, Inc

 Anchor Tenant GLA: **N/A**
 Local Tenant GLA: **26,200 SF**
 Total GLA: **26,200 SF**

Lease Data

Occupancy:
 Local: **N/A**
 Overall: **97.71%**
 Typical Size: **1,500 SF**
 Term: **5 Years**
 Base Rent PSF: **\$21.00 - \$26.00**
 Rent Escalations: **CPI**
 Basis: **Triple Net**
 Expense Pass-Thru: **\$4.00 SF**
 Free Rent (months): **None**
 Tenant Improvement: **None**
 Leasing Agent: **Marna Green**
 Phone No.: **[REDACTED]**
 Survey Date: **6/2007**

Comments

This one-story retail center was constructed in 1966, but has since been renovated in 1996 and is in good condition. This retail strip center contains 11 tenants ranging in size from 300 to 4,800 square feet. Currently, there is 1,500 SF available for lease at an asking rental rate of \$21.00 to \$26.00/SF, plus \$4.00 CAM. This property contains an outparcel occupied by Kentucky Fried Chicken.

Havensight Mall

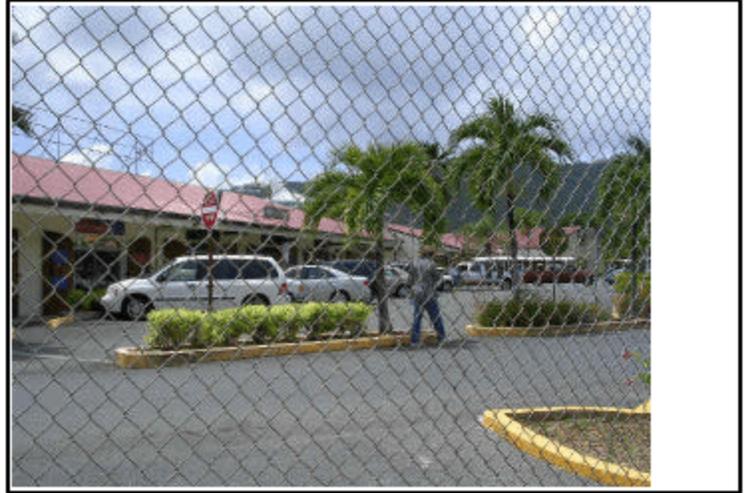
Location Data

Location: **Along Side The Cruise Ship Dock
Charlotte Amalie,US**
 County: **St. Thomas**
 Assessor's Parcel No: **N/A**
 Atlas Ref: **N/A**

Physical Data

Type:
 Gross Leaseable Area: **260,000 SF**
 Year Built: **1980**
 Exterior Walls: **Cement Block**
 Condition: **Good**
 Parking: **Good**

Anchor Tenant GLA: **N/A**
 Local Tenant GLA: **260,000 SF**
 Total GLA: **260,000 SF**



Lease Data

Occupancy:
 Local: **N/A**
 Overall: **100%**
 Typical Size: **2,000 SF**
 Term: **5 years**
 Base Rent PSF: **\$40.00 - \$60.00**
 Rent Escalations: **CPI**
 Basis: **Triple Net**
 Expense Pass-Thru: **\$3.00**
 Free Rent (months): **None**
 Tenant Improvement: **Negotiable**
 Leasing Agent: **Georgianne**
 Phone No.: **[REDACTED]**
 Survey Date: **6/2007**

Comments

Havensite Mall is a dockside shopping center with a combination office, retail and warehouse use, set along the busiest cruise ship facility in the Caribbean. The shopping center generally has rental rates ranging from \$25.00 to \$30.00 per square foot for the office and back portion stores and \$40.00 to \$60.00 for the high traffic locations catering to the cruise ship passengers.

Lockart Gardens Shopping Center

Location Data

Location: **Weymouth-Rhymer Highway and SR
Charlotte Amalie, US**
 County: **St. Thomas**
 Assessor's Parcel No: **N/A**
 Atlas Ref: **N/A**

Physical Data

Type:
 Gross Leaseable Area: **85,000 SF**
 Year Built: **1972**
 Exterior Walls: **Masonry**
 Condition: **Good**
 Parking: **Good**
 Anchors:
 Kmart **40,000 SF**
 Foot Locker
 Furniture World

 Anchor Tenant GLA: **40,000 SF**
 Local Tenant GLA: **45,000 SF**
 Total GLA: **85,000 SF**



Lease Data

Occupancy:
 Local: **N/A**
 Overall: **98.5%**
 Typical Size: **1,500 SF**
 Term: **5 Years**
 Base Rent PSF: **\$26.00 - \$31.00**
 Rent Escalations: **CPI**
 Basis: **Triple Net**
 Expense Pass-Thru: **\$4.00**
 Free Rent (months): **None**
 Tenant Improvement: **None**
 Leasing Agent: **Marna Green**
 Phone No.: **[REDACTED]**
 Survey Date: **6/2007**

Comments

This one-story retail center was constructed in 1972, but has since been renovated in 1996 and is in good condition. This retail center contains a Kmart, Foot Locker, Furniture World and Banco Popular. Reportedly, rental rates in this center range from \$26.00 to \$31.00/SF with a \$4.00 CAM including taxes.

Nisky Center

Location Data

Location: **Road 30 West Of Charlotte Amalie
Charlotte Amalie,US**
 County: **St. Thomas**
 Assessor's Parcel No: **N/A**
 Atlas Ref: **N/A**

Physical Data

Type:
 Gross Leaseable Area: **123,787 SF**
 Year Built: **1988**
 Exterior Walls: **Masonry**
 Condition: **Average**
 Parking: **Good**
 Anchors:
 US Immigration

Anchor Tenant GLA: **N/A**
 Local Tenant GLA: **123,787 SF**
 Total GLA: **123,787 SF**



Lease Data

Occupancy:
 Local: **N/A**
 Overall: **93%**
 Typical Size: **1,500 SF**
 Term: **3-5 Years**
 Base Rent PSF: **\$35.00 - \$40.00**
 Rent Escalations: **CPI**
 Basis: **Gross**
 Expense Pass-Thru: **None**
 Free Rent (months): **None**
 Tenant Improvement: **None**
 Leasing Agent: **Bill Pyle**
 Phone No.: **[REDACTED]**
 Survey Date: **6/2007**

Comments

This two-story retail/office center was constructed in 1988 and is in average condition. This center is located just west of downtown Charlotte Amalie the heart of St. Thomas and and the cruise line ships. This retail center is anchored by United States Immigration and Naturalization Service and Bank of Nova Scotia The first floor retail is almost fully occupied but their is some space available along the upper floors. The rental rates on a gross rent basis range from \$35.00 to \$40.00/SF. The equivalent triple net lease is \$30 to \$36/FT. The building is situated on leased land.

Red Hook Plaza

Location Data

Location: **Red Hook Road Across From
Red Hook,US**
 County: **St. Thomas**
 Assessor's Parcel No: **N/A**
 Atlas Ref: **N/A**

Physical Data

Type:
 Gross Leaseable Area:**36,000 SF**
 Year Built: **1976**
 Exterior Walls: **Masonry**
 Condition: **Average**
 Parking: **Average**
 Anchors:
 Banco Popular
 Ace Hardware

 Anchor Tenant GLA: **N/A**
 Local Tenant GLA: **36,000 SF**
 Total GLA: **36,000 SF**



Lease Data

Occupancy:
 Local: **N/A**
 Overall: **100%**
 Typical Size: **800 SF**
 Term: **5 years**
 Base Rent PSF: **\$28.00 - \$32.00**
 Rent Escalations: **CPI**
 Basis: **Triple Net**
 Expense Pass-Thru: **\$4.00/SF**
 Free Rent (months): **None**
 Tenant Improvement: **None**
 Leasing Agent: **Marna Green**
 Phone No.: **[REDACTED]**
 Survey Date: **6/2007**

Comments

This two-story retail/office center is located across from American Yacht Harbor in the eastern end of the island known as Red Hook. The majority of the tenants are service related to the existing surrounding community. The first floor contains mostly retail oriented uses, while the second floor contains mostly professional related businesses. There is a 1,000 square foot building in front leased to a restaurant. Reportedly, rental rates range from \$28.00 to \$32.00/SF plus CAM of \$4.00 per square foot.

ADDENDUM E
HISTORICAL OPERATING STATEMENTS

**American Yacht Harbor
Income Statement May 31, 2007
Consolidated**

June 12, 2007

	<u>Current</u>	<u>Budget</u>	<u>Variance</u>	<u>YTD</u>	<u>Budget</u>	<u>Variance</u>
Revenues						
Docks	\$ 46,392	45,500	892	\$ 193,907	201,081	(7,174)
Docks - P	18,454	16,500	1,954	82,510	75,734	6,776
Docks - Seasonal	14,364	20,500	(6,136)	102,926	108,435	(5,509)
Docks - Transient	38,378	29,000	9,378	186,388	158,774	27,614
Docks - Electric	16,130	20,900	(4,770)	80,140	103,024	(22,884)
Docks - Electric - P	1,079	3,300	(2,221)	8,848	15,147	(6,299)
Docks - Water	13,336	14,250	(914)	67,779	70,245	(2,466)
Docks - Water - P	1,417	2,145	(728)	8,520	9,846	(1,326)
Leases - Retail	99,089	94,575	4,514	434,007	414,718	19,289
Leases - Storage	5,785	8,200	(2,415)	26,205	31,340	(5,135)
Leases - Trash	2,065	2,140	(75)	9,186	9,457	(271)
Leases - Parking	3,873	4,400	(527)	19,823	19,445	378
Leases - Water	10,031	14,250	(4,219)	42,175	54,126	(11,951)
Boat Services	1,555	3,900	(2,345)	11,884	17,485	(5,601)
Gas	91,054	80,605	10,449	401,620	405,254	(3,634)
Diesel	126,360	123,005	3,355	484,954	567,138	(82,184)
Merchandise	8,313	8,000	313	40,003	36,935	3,068
Other Income	4	(2)	6	1	3	(2)
Finance Charges	809	1,250	(441)	3,466	5,524	(2,058)
Discount - Sale	(46)	0	(46)	(46)	0	(46)
Less Gross Receipts Tax	(9,030)	(8,464)	(566)	(37,429)	(40,372)	2,943
Guaranteed Payment - P	(9,925)	(9,925)	0	(43,862)	(43,862)	0
Total Revenues	479,487	474,029	5,458	2,123,005	2,219,477	(96,472)
Cost of Sales						
Docks	30,799	26,394	4,405	115,865	115,284	581
Docks - P	1,308	2,961	(1,653)	7,914	13,590	(5,676)
Docks Electric	10,012	15,048	(5,036)	47,585	74,177	(26,592)
Docks Water	2,257	2,351	(94)	10,672	11,590	(918)
Leases Retail	22,611	21,483	1,128	93,663	94,080	(417)
Leases Trash	1,100	1,100	0	5,036	4,861	175
Leases - Parking	0	100	(100)	1,344	442	902
Leases - Water	5,444	6,413	(969)	20,632	24,358	(3,726)
Boat Services	1,365	1,835	(470)	4,714	8,210	(3,496)
Gas	70,753	57,230	13,523	287,347	287,731	(384)
Diesel	87,368	87,334	34	335,418	402,668	(67,250)
Merchandise	4,397	4,640	(243)	21,345	21,423	(78)
Total Cost of Sales	237,414	226,889	10,525	951,535	1,058,414	(106,879)
Gross Profit	242,073	247,140	(5,067)	1,171,470	1,161,063	10,407
Payroll						
Bonus	0	0	0	0	0	0
Payroll Taxes	5,400	5,432	(32)	23,336	23,671	(335)
Payroll Benefits	5,226	7,830	(2,604)	28,513	34,603	(6,090)
Pension Benefits	1,531	1,874	(343)	6,613	8,163	(1,550)
Contract Labor	0	0	0	0	0	0
Salaries - Gross	62,236	62,440	(204)	258,644	272,091	(13,447)
Total Payroll	74,393	77,576	(3,183)	317,106	338,528	(21,422)
Salaries - Administrative	19,018	20,510	(1,492)	84,668	89,348	(4,680)
Salaries - Store	7,886	7,904	(18)	30,056	33,842	(3,786)
COS - Payroll	(26,904)	(28,416)	1,512	(114,724)	(123,194)	8,470
P/R - Docks	(26,232)	(25,644)	(588)	(110,778)	(111,970)	1,192
P/R - Leases	(22,477)	(20,483)	(1,994)	(91,147)	(89,661)	(1,486)
Net Payroll	25,684	31,447	(5,763)	115,181	136,893	(21,712)

**American Yacht Harbor
Income Statement May 31, 2007
Consolidated**

June 12, 2007

	<u>Current</u>	<u>Budget</u>	<u>Variance</u>	<u>YTD</u>	<u>Budget</u>	<u>Variance</u>
Operating Expenses						
Advertising	6,764	4,714	2,050	22,412	21,454	958
Bank Charges	318	176	142	1,350	778	572
Credit Card Discounts	5,794	6,162	(368)	20,250	28,852	(8,602)
CAM Reimbursement	(16,458)	(16,448)	(10)	(72,626)	(72,690)	64
CAM Expenses	1,436	2,500	(1,064)	10,276	11,048	(772)
Electricity	1,369	4,600	(3,231)	16,533	20,542	(4,009)
Electric - P	327	450	(123)	1,681	1,989	(308)
Land Lease	5,132	5,131	1	22,700	22,676	24
Insurance	31,415	26,737	4,678	102,497	118,160	(15,663)
Miscellaneous	0	300	(300)	406	1,326	(920)
Permits & Inspections	0	1,500	(1,500)	5,860	1,920	3,940
Personnel Costs	6	200	(194)	20	1,220	(1,200)
Postage	22	400	(378)	922	1,768	(846)
Repair - General	3,199	1,670	1,529	4,740	7,380	(2,640)
Repair - Projects	0	0	0	0	0	0
Security	1,858	1,850	8	7,878	8,176	(298)
Sewer & Water	3,087	2,500	587	8,747	11,049	(2,302)
Water - P	(85)	150	(235)	(311)	663	(974)
Sprinklers	240	300	(60)	1,722	1,326	396
Supplies - General	1,072	1,820	(748)	7,214	8,128	(914)
Supplies - Computer	0	126	(126)	140	556	(416)
Supplies - Office	882	700	182	3,496	3,094	402
Supplies - Vehicle	406	436	(30)	1,420	1,926	(506)
Telephone	1,350	1,300	50	5,030	5,746	(716)
Tools	0	350	(350)	1,321	1,546	(225)
Travel	310	0	310	2,130	4,500	(2,370)
Meals	0	0	0	260	0	260
Uniforms	0	350	(350)	284	1,546	(1,262)
Waste Removal	0	0	0	0	0	0
Total Operating Expenses	48,444	47,974	470	176,352	214,679	(38,327)
Contribution	167,945	167,719	226	879,937	809,491	70,446
Other Expenses						
Administrative Fees	0	0	0	0	0	0
Ad Valorem Tax	0	0	0	0	0	0
Legal / Accounting	872	1,600	(728)	8,746	7,072	1,674
Management Travel	0	2,900	(2,900)	948	12,816	(11,868)
Management Meals	0	500	(500)	84	2,210	(2,126)
Donations	0	2,100	(2,100)	700	9,282	(8,582)
Promotion	0	0	0	0	0	0
Extraordinary	0	0	0	0	0	0
Total Other Expenses	872	7,100	(6,228)	10,478	31,380	(20,902)
NOI (Before Fees)	167,073	160,619	6,454	869,459	778,111	91,348
Management Fees	37,382	36,932	450	165,322	172,780	(7,458)
Net Operating Income	129,691	123,687	6,004	704,137	605,331	98,806
Non Operating Expenses						
GP Fees	0	0	0	0	0	0
Amortization	0	4,751	(4,751)	0	20,996	(20,996)
Amortization - Retail Lease/TI	0	0	0	0	0	0
Depreciation	0	21,950	(21,950)	0	97,005	(97,005)
Interest Expense	319,671	51,026	268,645	412,125	225,502	186,623
Interest Income	(346)	(326)	(20)	(1,280)	(1,436)	156
Total Non Operating Expense	319,325	77,401	241,924	410,845	342,067	68,778
Net Income	\$ (189,634)	46,286	(235,920)	\$ 293,292	263,264	30,028

American Yacht Harbor
Income Statement December 31, 2006
Consolidated

June 12, 2007

	<u>Current</u>	<u>Budget</u>	<u>Variance</u>	<u>YTD</u>	<u>Budget</u>	<u>Variance</u>
Revenues						
Docks	\$ 40,620	44,900	(4,280)	\$ 519,279	538,800	(19,521)
Docks - P	16,976	11,800	5,176	192,762	180,800	11,962
Docks - Seasonal	29,413	22,000	7,413	335,626	317,000	18,626
Docks - Transient	35,164	23,000	12,164	359,872	292,000	67,872
Docks - Electric	16,913	18,879	(1,966)	259,705	241,038	18,667
Docks - Electric - P	935	1,298	(363)	32,640	19,888	12,752
Docks - Water	12,074	12,316	(242)	173,947	157,247	16,700
Docks - Water - P	1,315	1,687	(372)	23,254	25,858	(2,604)
Leases - Retail	94,132	87,539	6,593	1,092,002	1,039,522	52,480
Leases - Storage	6,045	7,000	(955)	70,982	81,975	(10,993)
Leases - Trash	2,140	2,040	100	24,855	24,480	375
Leases - Parking	4,490	3,000	1,490	50,430	36,000	14,430
Leases - Water	7,486	11,000	(3,514)	121,906	133,300	(11,394)
Boat Services	3,700	5,200	(1,500)	36,501	62,550	(26,049)
Gas	75,557	62,000	13,557	980,590	890,000	90,590
Diesel	89,034	55,000	34,034	1,887,601	1,576,000	311,601
Merchandise	8,223	7,750	473	95,541	86,000	9,541
Other Income	(2)	5	(7)	(3)	0	(3)
Finance Charges	1,399	800	599	17,212	9,600	7,612
Discount - Sale	0	(878)	878	(633)	(18,499)	17,866
Less Gross Receipts Tax	(6,913)	(4,955)	(1,958)	(118,550)	(101,341)	(17,209)
Guaranteed Payment - P	(9,925)	(9,815)	(110)	(116,331)	(115,778)	(553)
Total Revenues	428,776	361,566	67,210	6,039,188	5,476,440	562,748
Cost of Sales						
Docks	46,435	25,687	20,748	334,461	303,966	30,495
Docks - P	1,000	1,208	(208)	30,807	18,516	12,291
Docks Electric	11,302	11,139	163	171,584	142,212	29,372
Docks Water	2,124	2,094	30	27,293	26,730	563
Leases Retail	33,232	20,195	13,037	267,486	239,700	27,786
Leases Trash	1,100	1,000	100	13,100	12,000	1,100
Leases - Parking	0	100	(100)	1,792	1,200	592
Leases - Water	4,151	4,950	(799)	58,422	59,987	(1,565)
Boat Services	410	2,100	(1,690)	14,517	23,625	(9,108)
Gas	53,513	45,880	7,633	692,617	658,600	34,017
Diesel	61,698	40,700	20,998	1,329,597	1,166,240	163,357
Merchandise	3,996	4,495	(499)	53,147	49,880	3,267
Total Cost of Sales	218,961	159,548	59,413	2,994,823	2,702,656	292,167
Gross Profit	209,815	202,018	7,797	3,044,365	2,773,784	270,581
Payroll						
Bonus	25,000	0	25,000	25,000	0	25,000
Payroll Taxes	6,380	5,933	447	61,918	70,841	(8,923)
Payroll Benefits	5,936	7,425	(1,489)	69,400	89,100	(19,700)
Pension Benefits	938	1,837	(899)	16,460	21,934	(5,474)
Contract Labor	1,500	0	1,500	8,166	0	8,166
Salaries - Gross	64,105	61,231	2,874	692,261	731,154	(38,893)
Total Payroll	103,859	76,426	27,433	873,205	913,029	(39,824)
Salaries - Administrative	19,112	18,254	858	221,305	218,442	2,863
Salaries - Store	5,350	9,240	(3,890)	55,766	114,028	(58,262)
COS - Payroll	(24,462)	(27,494)	3,032	(276,660)	(332,470)	55,810
P/R - Docks	(42,923)	(25,687)	(17,236)	(316,478)	(303,966)	(12,512)
P/R - Leases	(31,268)	(20,195)	(11,073)	(252,611)	(239,700)	(12,911)
Net Payroll	29,668	30,544	(876)	304,527	369,363	(64,836)

American Yacht Harbor
Income Statement December 31, 2006
Consolidated

June 12, 2007

	<u>Current</u>	<u>Budget</u>	<u>Variance</u>	<u>YTD</u>	<u>Budget</u>	<u>Variance</u>
Operating Expenses						
Advertising	5,316	2,660	2,656	53,236	41,058	12,178
Bank Charges	206	176	30	1,598	2,100	(502)
Credit Card Discounts	4,936	3,616	1,320	78,701	54,763	23,938
CAM Reimbursement	(42,966)	(16,241)	(26,725)	(215,720)	(194,680)	(21,040)
CAM Expenses	1,918	2,000	(82)	30,719	24,000	6,719
Electricity	3,087	4,750	(1,663)	45,595	57,000	(11,405)
Electric - P	60	450	(390)	4,658	5,400	(742)
Land Lease	5,131	5,132	(1)	61,569	61,584	(15)
Insurance	37,938	36,040	1,898	431,039	432,480	(1,441)
Miscellaneous	438	500	(62)	1,658	6,000	(4,342)
Permits & Inspections	206	400	(194)	7,140	4,800	2,340
Personnel Costs	4,064	200	3,864	5,501	2,400	3,101
Postage	250	300	(50)	4,946	3,600	1,346
Repair - General	703	1,718	(1,015)	17,478	20,604	(3,126)
Repair - Projects	0	0	0	0	0	0
Security	1,792	1,734	58	22,924	20,800	2,124
Sewer & Water	2,689	1,800	889	37,484	21,600	15,884
Water - P	0	0	0	1,734	0	1,734
Sprinklers	(80)	200	(280)	4,140	2,400	1,740
Supplies - General	866	1,600	(734)	22,339	19,200	3,139
Supplies - Computer	0	76	(76)	1,330	900	430
Supplies - Office	422	750	(328)	7,194	9,000	(1,806)
Supplies - Vehicle	222	150	72	5,880	1,800	4,080
Telephone	1,042	1,200	(158)	15,755	14,400	1,355
Tools	82	300	(218)	3,591	3,600	(9)
Travel	1,194	1,000	194	7,224	5,500	1,724
Meals	36	0	36	1,284	0	1,284
Uniforms	1,060	350	710	5,330	4,200	1,130
Waste Removal	0	0	0	0	0	0
Total Operating Expenses	30,612	50,861	(20,249)	664,327	624,509	39,818
Contribution	149,535	120,613	28,922	2,075,511	1,779,912	295,599
Other Expenses						
Administrative Fees	2,000	2,000	0	24,000	24,000	0
Ad Valorem Tax	0	0	0	0	0	0
Legal / Accounting	11,318	1,000	10,318	51,962	25,000	26,962
Management Travel	3,306	1,500	1,806	44,326	18,000	26,326
Management Meals	552	200	352	9,410	2,400	7,010
Donations	2,000	2,100	(100)	26,976	25,200	1,776
Promotion	0	0	0	346	0	346
Extraordinary	0	0	0	(21,244)	0	(21,244)
Total Other Expenses	19,176	6,800	12,376	135,776	94,600	41,176
NOI (Before Fees)	130,359	113,813	16,546	1,939,735	1,685,312	254,423
Management Fees	7,821	6,848	973	116,383	101,340	15,043
Net Operating Income	122,538	106,965	15,573	1,823,352	1,583,972	239,380
Non Operating Expenses						
GP Fees	6,126	5,364	762	91,168	79,386	11,782
Amortization	1,963	2,467	(504)	23,545	29,604	(6,059)
Amortization - Retail Lease/TL	0	1,216	(1,216)	817	14,592	(13,775)
Depreciation	16,562	16,577	(15)	198,742	198,927	(185)
Interest Expense	47,939	52,906	(4,967)	625,837	634,880	(9,043)
Interest Income	(392)	64	(456)	(3,984)	768	(4,752)
Total Non Operating Expense	72,198	78,594	(6,396)	936,125	958,157	(22,032)
Net Income	\$ 50,340	28,371	21,969	\$ 887,227	625,815	261,412

**American Yacht Harbor
Income Statement December 31, 2005
Consolidated**

January 27, 2008

	<u>Current</u>	<u>Budget</u>	<u>Variance</u>	<u>YTD</u>	<u>Budget</u>	<u>Variance</u>
venues						
Docks	\$ 42,985	41,000	1,985	\$ 526,847	492,000	34,847
Docks - P	14,871	11,500	3,371	177,680	142,000	35,680
Docks - Seasonal	33,084	21,000	12,084	320,346	325,000	(4,654)
Docks - Transient	33,191	22,000	11,191	300,449	227,000	73,449
Docks - Electric	9,709	16,800	(7,091)	225,906	208,800	17,106
Docks - Electric P	1,602	690	912	18,095	8,520	9,575
Docks - Water	8,546	13,440	(4,894)	139,944	167,040	(27,096)
Docks - Water P	2,252	1,150	1,102	23,115	14,200	8,915
Leases - Retail	90,003	83,244	6,759	1,044,076	986,667	57,409
Leases - Storage	6,139	5,375	764	75,034	64,500	10,534
Leases - Trash	2,115	1,990	125	24,555	23,880	675
Leases - Parking	3,930	3,000	930	38,918	36,000	2,918
Leases - Water	9,390	11,000	(1,610)	124,884	132,000	(7,116)
Boat Services	2,644	2,500	144	38,230	35,100	3,130
Gas	79,625	54,000	25,625	904,902	715,000	189,902
Diesel	93,233	50,000	43,233	1,599,583	1,306,000	293,583
Merchandise	7,015	7,000	15	81,631	77,000	4,631
Other income	11	6	5	(2)	1	(3)
Finance Charges	1,945	800	1,145	12,304	9,600	2,704
Discount - Sale	(24)	(1,040)	1,016	(14,909)	(29,610)	14,701
Less Gross Receipts Tax	(7,194)	(4,398)	(2,796)	(102,855)	(82,735)	(20,120)
Guaranteed Payment	(9,529)	(9,000)	(529)	(112,987)	(108,000)	(4,987)
Total Revenues	425,543	332,057	93,486	5,445,746	4,749,963	695,783
Cost of Sales						
Docks	38,302	27,507	10,795	302,158	327,378	(25,220)
Docks - P	1,761	814	947	17,700	9,961	7,739
Docks Electric	6,729	9,240	(2,511)	141,794	114,840	26,954
Docks Water	1,314	2,150	(836)	25,641	26,727	(1,086)
Leases Retail	31,344	21,873	9,471	257,498	262,260	(4,762)
Leases Trash	1,000	900	100	11,500	10,800	700
Leases - Parking	0	100	(100)	540	1,200	(660)
Leases - Water	4,221	3,520	701	60,546	42,240	18,306
Boat Services	165	1,000	(835)	11,022	14,040	(3,018)
Gas	56,396	38,880	17,516	660,224	514,800	145,424
Diesel	71,326	37,000	34,326	1,169,580	966,440	203,140
Merchandise	3,591	4,200	(609)	47,515	46,200	1,315
Total Cost of Sales	216,149	147,184	68,965	2,705,718	2,336,886	368,832
Gross Profit	209,394	184,873	24,521	2,740,028	2,413,077	326,951
Payroll						
Bonus	25,000	0	25,000	25,000	0	25,000
Payroll Taxes	7,286	6,532	754	63,662	77,742	(14,080)
Payroll Benefits	5,402	6,750	(1,348)	73,229	81,000	(7,771)
Pension Benefits	390	1,781	(1,391)	16,159	21,198	(5,039)
Salaries - Gross	68,507	59,379	9,128	683,660	706,710	(23,050)
Total Payroll	106,585	74,442	32,143	861,710	886,650	(24,940)
Salaries - Administrative	27,051	18,484	8,567	237,494	218,868	18,626
Salaries - Store	8,156	6,380	1,776	54,142	75,282	(21,140)
COS - Payroll	(36,746)	(24,862)	(11,884)	(293,175)	(294,150)	975
P/R - Docks	(38,222)	(26,457)	(11,765)	(301,625)	(314,778)	13,153
P/R - Leases	(31,344)	(21,123)	(10,221)	(257,438)	(253,260)	(4,178)
Net Payroll	35,480	26,864	8,616	301,108	318,612	(17,504)

American Yacht Harbor
Income Statement December 31, 2005
Consolidated

January 27, 2006

	<u>Current</u>	<u>Budget</u>	<u>Variance</u>	<u>YTD</u>	<u>Budget</u>	<u>Variance</u>
Operating Expenses						
Advertising	3,554	4,000	(446)	41,228	48,000	(6,772)
Bank Charges	238	176	62	1,801	2,100	(299)
Credit Card Discounts	3,765	3,321	444	59,598	47,501	12,097
CAM Reimbursement	(35,496)	(15,945)	(19,551)	(209,943)	(191,340)	(18,603)
CAM Expenses	3,240	2,000	1,240	26,953	24,000	2,953
Electricity	3,596	5,500	(1,904)	50,774	66,000	(15,226)
Electric - P	(599)	450	(1,049)	6,007	5,400	607
Land Lease	5,132	5,132	0	61,582	61,584	(2)
Insurance	33,261	32,333	928	419,020	387,996	31,024
Insurance - P	310	0	310	7,267	0	7,267
Miscellaneous	258	500	(244)	5,827	6,000	(173)
Permits & Inspections	400	100	300	5,004	3,200	1,804
Personnel Costs	0	200	(200)	10,370	2,400	7,970
Postage	192	250	(58)	3,434	3,000	434
Repair - General	1,226	1,218	8	19,620	14,604	5,016
Repair - General - P	0	0	0	44	0	44
Repair - Projects	0	0	0	0	5,400	(5,400)
Security	2,040	1,876	164	20,700	22,500	(1,800)
Sewer & Water	2,859	2,000	859	17,045	24,000	(6,955)
Water - P	179	83	96	(2,004)	996	(3,000)
Sprinklers	432	200	232	1,986	2,400	(414)
Supplies - General	2,533	1,000	1,533	24,680	12,000	12,680
Supplies - Computer	0	50	(50)	1,768	600	1,168
Supplies - Office	452	750	(298)	8,160	9,000	(840)
Supplies - Vehicle	62	150	(88)	1,796	1,800	(4)
Telephone	1,122	1,000	122	14,940	12,000	2,940
Tools	541	200	341	4,257	2,400	1,857
Travel	1,078	1,000	78	6,692	3,500	3,192
Meals	2,802	0	2,802	3,656	0	3,656
Uniforms	688	350	338	6,100	4,200	1,900
Waste Removal	0	0	0	0	0	0
Total Operating Expenses	33,863	47,894	(14,031)	618,362	581,241	37,121
Contribution	140,051	110,115	29,936	1,820,558	1,513,224	307,334
Other Expenses						
Administrative Fees	2,000	2,000	0	24,000	24,000	0
Ad Valorem Tax	0	0	0	0	0	0
Allocated Wages	0	0	0	1,701	0	1,701
Legal / Accounting	760	500	260	17,866	10,000	7,866
Management Travel	0	1,500	(1,500)	24,076	18,000	6,076
Management Meals	0	0	0	2,858	0	2,858
Donations	1,052	2,084	(1,032)	27,486	25,000	2,486
Promotion	0	0	0	0	0	0
Extraordinary	(9,320)	0	(9,320)	(19,341)	0	(19,341)
Total Other Expenses	(5,508)	6,084	(11,592)	78,646	77,000	1,646
NOI (Before Fees)	145,559	104,031	41,528	1,741,912	1,436,224	305,688
Management Fees	8,545	6,242	2,303	104,513	86,174	18,339
Net Operating Income	137,014	97,789	39,225	1,637,399	1,350,050	287,349
Non Operating Expenses						
GP Fees	6,002	4,890	1,112	81,879	67,500	14,379
Amortization	1,963	7,200	(5,237)	122,293	86,400	35,893
Amortization - Retail Lease/TL	(2,841)	285	(3,126)	3,190	6,345	(3,155)
Depreciation	19,660	18,600	3,060	201,842	199,200	2,642
Interest Expense	65,105	21,740	43,365	358,319	260,880	97,439
Interest Income	(1,679)	(400)	(1,279)	(5,361)	(4,800)	(561)
Total Non Operating Expens	88,210	50,315	37,895	762,162	615,525	146,637
Net Income	\$ 48,804	47,474	1,330	\$ 875,237	734,525	140,712

ADDENDUM F
CZM PERMITS

ASSIGNMENT OF COASTAL ZONE MANAGEMENT PERMIT NOS.

CZT-4-99(W), CZT-81-87(L) and CZT-53-85(SL)

ASSIGNMENT made this 13th day of December, 2006 from MOF VI Limited Partnership, a U.S. Virgin Islands limited partnership, whose mailing address is, 4801 Spring Valley Road, Suite 80, Dallas, Texas 75244 (the "Assignor") to IGY-AYH ST. THOMAS HOLDINGS, LLC, a U.S. Virgin Islands limited liability company whose mailing address is c/o Island Capital Group LLC, 717 Fifth Avenue, 18th Floor, New York, New York 10022 (the "Assignee").

WHEREAS, Assignee is the Permittee under Coastal Zone Management Permit Nos. CZT-4-99W, CZT-81-87L and CZT-53-85SL with effective dates of September 14, 2000, May 12, 1988 and January 24, 1986, respectively, copies of which are attached hereto as Exhibits A, B and C and made a part hereof, together with any and all modifications, extensions, renewals, applications for renewal and reconstruction permits issued in connection therewith (collectively, the "CZM Permits"), granted by the St. Thomas Committee of the Virgin Islands Coastal Zone Management Commission as Permitter, respecting the development, use and occupancy of the Premises described in Exhibit D attached hereto and made a part hereof together with the adjoining submerged lands;

WHEREAS, Assignor and Assignee entered into a Purchase and Sale Agreement dated as of October 23, 2006 ("Agreement") pursuant to which Assignee agreed that it would accept delivery from Assignor of, and Assignor agreed to assign, transfer and deliver to Assignee, on the Closing Date (as defined in the Agreement), Assignor's right, title and interest in the Property (as defined in the Agreement) and Assignor agreed to deliver to Assignee an assignment, transfer and delivery as to Assignor's rights under the CZM Permits to be sold to Assignee, and Assignee agreed that Assignee would sign this document to evidence Assignee's assumption of the liabilities to be assumed by Assignee under the provisions of the CZM Permits; and

WHEREAS, by this Indenture, Assignor intends to assign and transfer to Assignee, its successors and assigns, all of the Assignor's interest in the CZM Permits to be sold to Assignee as provided in the Agreement;

NOW, THEREFORE, pursuant to the Agreement and in consideration of the premises and of other valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, and of the mutual covenants herein set forth, Assignor has assigned, transferred, sold, remised, released, alienated, set over and confirmed and by these presents does assign, transfer, sell, remise, release, alienate, set over and confirm unto Assignee, its successors and assigns, forever, as an entirety, all of the rights and interests in the CZM Permits.

TO HAVE AND TO HOLD all of the aforesaid rights and interests hereby assigned, transferred, sold, remised, released, alienated, set over, and confirmed or intended so to be unto Assignee to and for the use of Assignee, its successors and assigns.

01/19/2007 3:07PM
Official Records of
ST THOMAS/ST JOHN
WILMA G. HART SMITH
RECORDER OF DEEDS

Doc# 2007000533

AND IN FURTHER CONSIDERATION as aforesaid, Assignor and Assignee, respectively, each for itself, its successors and assigns, has covenanted, bargained and agreed and by this Indenture hereby covenants, bargains and agrees each to and with the other, its successors and assigns, as follows:

1. Upon written request of Assignee, Assignor, from time to time, will execute and deliver to Assignee, without further consideration but without expense to Assignor, such other and further instruments of assignment and transfer as Assignee may reasonably request for the more effective assignment and transfer to Assignee of any of the aforesaid.
2. Assignor hereby makes, constitutes and appoints Assignee the true and lawful attorney-in-fact of Assignor, with full power of substitution, in the name and stead of Assignor, but on behalf and for the benefit of Assignee, to demand and receive any and all of the aforesaid rights and interests of Assignor, and to give receipts and releases for and in respect of the same, and any part thereof, and from time to time to institute, prosecute, appear in, defend and appeal in the name of Assignor, or otherwise, at the expense and for the benefit of Assignee, any and all actions, suits and proceedings at law, in equity or otherwise, which Assignee may deem proper in order to collect or reduce to possession any of the aforesaid rights and interests of Assignor and/or in order to collect or enforce any claim or right of any kind hereby conveyed or assigned and transferred, or to resist or defend against any claim, debt, obligation, liability or assertion or a liability assumed by Assignee, or intended so to be, and to do all acts and things in relation to the rights, interests, liabilities and obligations which Assignee shall deem desirable, Assignor hereby declaring that the foregoing powers are coupled with an interest and are and shall be irrevocable by any act of Assignor, or by its winding up and dissolution, or in any other manner or for any reason whatsoever.
3. Assignee agrees to assume, and hereby does assume, and agrees to undertake, perform and pay any and all obligations of Assignor arising on or after the date hereof in respect of the CZM Permits existing or incurred on or after the date hereof (collectively, the "Assumed Obligations") and Assignee hereby indemnifies and holds harmless Assignor against any and all losses, costs and expenses (including, without limitation, reasonable legal expenses) resulting from or relating to the Assumed Obligations.
4. This Assignment is made pursuant to the provisions of 12 Virgin Islands Code, Sections 901, et seq. and the Rules and Regulation promulgated thereunder.
5. This Assignment shall become effective immediately upon the later of (a) the approval of the St. Thomas Coastal Zone Management Committee or (b) the Closing Date as defined in the Agreement.
6. This Indenture shall be governed and construed by the laws of the U.S. Virgin Islands and shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.



GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES

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DEPARTMENT OF PLANNING AND NATURAL RESOURCES

Division of Coastal Zone Management

Cyril E. King Airport, Terminal Building Second Floor
St. Thomas, Virgin Islands 00802

Fax: [REDACTED]

ASSIGNMENT

Tel.: [REDACTED]

Coastal Zone Management Major Permit Nos. CZT-4-99W; CZT-53-85(SL) and CZT-81-87(L)

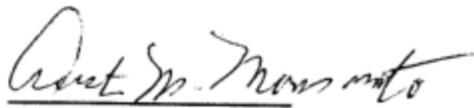
Permittee: MOF VI LIMITED PARTNERSHIP

- 1). **AUTHORITY**. These Assignments are for Major Permit Nos. CZT-4-99W; CZT-53-85(SL) and CZT-81-87(L) and is requested pursuant to V.I. Code, Title 12, Section 910 (e) and V.I. R®S, Title 12, Section 910-15 (b).
- 2). **SCOPE**. The scope of work described in CZM Major Permit Nos. CZT-4-99W; CZT-53-85(SL) and CZT-81-87(L) have been completed. All conditions of these three (3) Major CZM Permits have been met.
- 3). **TERM**. These Assignments become effective on the date they are issued by the Chairman of the St. Thomas Committee of the CZM Commission, pursuant to V.I. Rules and Regs., Title 12, Section 910-15 (c).
- 4). **ASSIGNOR** The Assignor is **MOF VI LIMITED PARTNERSHIP**. All documents required by the V.I. R®S, Title 12, Section 910-5 (b) has been received by this Department/Division of Coastal Zone Management.
- 5). **ASSIGNEES** The Assignee is **IGY-AYH ST. THOMAS HOLDING, LLC**. The Assignee has executed all documents required in accordance with V.I.R®S, Title 12, Section 910-15(b).
- 6). **CONDITIONS OF THREE (3) PERMITS** All conditions of Major Permit Nos. CZT-4-99W; CZT-53-85(SL) and CZT-81-87(L) have been complied with.
- 7). **DOCUMENTS INCORPORATED BY REFERENCE/EXHIBITS**
 - A. Application letter to assign Major Permit Nos. CZT-4-99W; CZT-53-85(SL) and CZT-81-87(L)

- B. Fee receipt of \$1,500.00 for the Assignments of each Major Permit Nos. CZT-4-99W; CZT-53-85(SL) and CZT-81-87(L) as required by Section 910-5(g)(1) of the CZM Rules and Regs..
- C. Affidavit of MOF VI Limited Partnership (Assignor) requesting approval and consent to the Assignment of Major Permit Nos. CZT-4-99W; CZT-53-85(SL) and CZT-81-87(L) to IGY-AYH ST. THOMAS HOLDINGS, LLC (the "Assignee").
- D. Affidavit of IGY-AYH ST. THOMAS HOLDINGS, LLC (the "Assignee") to specifically undertakes (a) to operate and use the property and rights accorded under the CZM Permits in accordance with the terms and conditions of the CZM Permits (Major Permit Nos. CZT-4-99W; CZT-53-85(SL) and CZT-81-87(L), and (b) to further assign the CZM Permits strictly in accordance with and pursuant to the rules and Regulation of the CZM to an assignee approved by the CZM.
- E. Copies Major Permit Nos.

CZT-4-99W to expire on Septemebr 14, 2010;
CZT-53-85(SL) to expire on February 17, 2011
and CZT-81-87(L) land-based facilities completed.

APPROVAL. The documents submitted in support of the Assignments of Major Permit Nos. Major Permit Nos. CZT-4-99W; CZT-53-85(SL) and CZT-81-87(L) has been accepted. The Assignments of Major Major Permit Nos. CZT-4-99W; CZT-53-85(SL) and CZT-81-87(L) are hereby **APPROVED** pursuant to V.I. R&Regs, Title 12, Section 910-5 (b).



Austin M. Monsanto
Chairman
St. Thomas CZM Committee

Jan. 12/2007 
Date

AFFIDAVIT OF IGY-AYH ST. THOMAS HOLDINGS, LLC
SUBMITTED IN CONNECTION WITH
ASSIGNMENT OF CZM PERMIT NOS. CZT-4-99W, CZT-81-87L AND CZT-53-
85SL

STATE OF New York)
)
COUNTY OF New York)

Marc W. Levy, being first duly sworn upon his oath deposes and says:

1. He is the Duly Authorized Signatory of IGY-AYH ST. THOMAS HOLDINGS, LLC (the "Assignee"), and in such capacity is authorized to make this affidavit.
2. As part of a transaction with MOF VI Limited Partnership, a U.S. Virgin Islands limited partnership, to purchase the property known as American Yacht Harbor, the Assignee will receive an assignment of Coastal Zone Management Permit Nos. CZT-81-87L, CZT-4-99W and CZT-53-85SL together with all modifications, extensions and renewals, if any, issued in connection therewith (the "CMZ Permits") to be effective upon the later to occur of (a) the approval of St. Thomas Committee of the Coastal Zone Management Commission ("CZM") of said Assignment or (b) the Closing Date.
3. The Assignee specifically undertakes (a) to operate and use the property and rights accorded under the CZM Permits in accordance with the terms and conditions of the CZM Permits, and (b) to further assign the CZM Permits strictly in accordance with and pursuant to the Rules and Regulations of the CZM to an Assignee approved by the CZM.
4. This affidavit is made and given pursuant to 12 V.I.R. & R. Section 910-15(b)(2) in support of the application for the CZM's approval of the assignment of the CZM Permits to the Assignee.

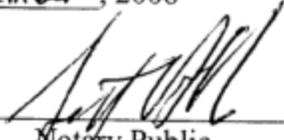
IGY-AYH ST. THOMAS HOLDINGS, LLC,
a U.S. Virgin Islands limited liability company

By: [Signature]
Name: Marc W. Levy
Title: Duly Authorized Signatory

81/19/2007 3:07PM
Official Records of
ST THOMAS/ST JOHN
WILMA D. HART SMITH
RECORDER OF DEEDS

DATED: Dec. 13, 2006

Subscribed and sworn to
me this 3rd day of
December, 2006



Notary Public

[SEAL]

Seth A. Cohen
NOTARY PUBLIC, State of New York
No. 02CO6146307
Qualified in King County
Commission Expires May 15, 2010

My Commission Expires: May 15, 2010

AFFIDAVIT OF MOF VI LIMITED PARTNERSHIP REQUESTING
APPROVAL AND CONSENT TO ASSIGNMENT OF
Coastal Zone Permit Nos. CZT-4-99(W), CZT-53-85(SL) and CZT-81-87(L)

STATE OF New York)
) ss:
COUNTY OF New York)

Ronald W. Rhoades, being first duly sworn upon his oath deposes and says:

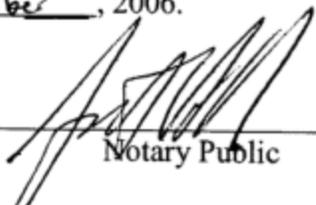
1. He is the President of American Yacht Harbor Corporation, the General Partner of MOF VI LIMITED PARTNERSHIP (the "Assignor"), and in such capacity is authorized to make this Affidavit.
2. As part of a transaction with IGY-AYH ST. THOMAS HOLDINGS, LLC (the "Assignee"), the Assignor will assign Coastal Zone Permit Nos. CZT-4-99(W), CZT-53-85(SL) and CZT-81-87(L) together with all modifications, extensions and renewals, if any, issued in connection therewith (the "Permits") to be effective upon the approval of the St. Thomas Committee of the Coastal Zone Management Commission ("CZM") of said Assignment.
3. The Assignor specifically requests the CZM's approval and consent to the Assignment of the Permits and provides with the Application for Consent to Transfer the Permits, the following: (a) an original Assignment of Coastal Zone Management Permit Nos. CZT-4-99(W), CZT-53-85(SL) and CZT-81-87(L) as Proof of Legal Interest of the Assignee, (b) this Affidavit requesting assignment and transfer, (c) the Assignee's Affidavit stating that it will honor all conditions of Coastal Zone Management Permit Nos. CZT-4-99(W), CZT-53-85(SL) and CZT-81-87(L) and (d) the Assignor states and confirms that it is in compliance with Act No. 5270 of 1987.
4. This Affidavit is made and given pursuant to 12 V.I.R.&R. Section 910-15(b)(4) in support of the Application for the CZM's approval of the assignment of the Permits to the Assignee.

MOF VI LIMITED PARTNERSHIP
By: American Yacht Harbor Corporation, 

DATED: 12-13, 2006

By: 
Ronald W. Rhoades, President

Subscribed and sworn to
before me this 13th day of
December, 2006.



Notary Public

My Commission Expires: May 15, 2010

[SEAL]

Seth A. Cohen
NOTARY PUBLIC, State of New York
No. 02CO6146307
Qualified in King County
Commission Expires May 15, 2010

EXHIBIT A

COASTAL ZONE MANAGEMENT PERMIT NO. CZT-4-99(W)

01/19/2007 3:07PM
Official Records of
ST THOMAS/ST JOHN
WILMA O. HART SMITH
RECORDER OF DEEDS

MAJOR COASTAL ZONE MANAGEMENT PERMIT NO. CZT-4-99W

1. **AUTHORITY.** This permit is issued by the St. Thomas Committee of the Virgin Islands Coastal Zone Management (CZM) Commission and is administered and monitored by the Department of Planning and Natural Resources (DPNR) on behalf of the Coastal Zone Management Commission pursuant to V.I. Code, tit. 12, section 910 and 911, and any other provisions of the Coastal Zone Management Act applicable. As herein, "Permitter" is the St. Thomas Committee of the Virgin Islands Coastal Zone Management Commission and "Permittee" is **MOF VI LIMITED PARTNERSHIP**

2. **SCOPE.**
 - (a). This permit approves the renewal of CZM Permit No. CZT-82-87W. The original permit which was issued on October 31, 1988, allowed the permittee to dredge the existing marina by 1.5 feet to allow for adequate depth for the vessels. The permit also allowed the permittee to construct a rock armour wall and a ten (10) foot wide boardwalk. One hundred and fifty nine (159) parking spaces were also provided. The scope of work described in CZM Permit No. CZT-82-87W has been completed. This facility is located at and seaward of Parcel Nos. 18A-1, 18B and 18B-1, Estate Smith Bay, St. Thomas, Virgin Islands.

 - (b). The Permittee is allowed to use, occupy and maintain the facility described above for the term ("TERM") set forth below. It shall not constitute a property right and may be renewed only in accordance with V.I. Code, tit. 12, section 911.

3. **TERM.** This permit is effective upon its signing by the Chairman of the St. Thomas Committee of the V.I. CZM Commission, the Governor of the Virgin Islands, and ratified by the Legislature of the Virgin Islands or by the Committee on Planning and Environmental Protection, if the Legislature is not in session. As used herein, the "Effective Date" or "the date hereof" means the date of such ratification. This permit will expire ten (10) years after the Effective Date. The Permittee shall have the option to renew the permit within ninety (90) days before the permit expires and the renewal terms are subject to negotiations. This permit is issued for a definite term, ten (10) years, and shall not constitute a property right.

4. **DOCUMENTS INCORPORATED BY REFERENCE**
 - Exhibit A: A letter of Application to CZM Committee dated March 12, 1999.
 - Exhibit B: Joint Army Corps of Engineers Application dated March 12, 1999.
 - Exhibit C: Copy of Major Permit CZM Permit No. CZT-82-87W.
 - Exhibit D: Site Plan dated July 26, 1995

- (h) Inspection. The Commission, its Committee, the Commissioner or their authorized agents or representatives shall have the power to enter at reasonable times during project working hours upon any lands or waters in the coastal zone for which this Coastal Zone Permit has been issued. The Permittee shall permit such entry for the purpose of inspection and ascertaining compliance with the terms and conditions of said Coastal Zone Permit. The Permittee shall provide access to such records as the Commission, its Committee, or the Commissioner in the performance of it or his duties under the CZM Act may require the Permittee to maintain. Such records may be examined, and copies shall be submitted to the Commission, its Committee or the Commissioner upon request.
- (i) Conditions of Premises. The Development authorized by this permit shall be maintained in a safe condition and in accordance with the description, plans, or drawings approved by the Commissioner or by the Committee, and all applicable V.I. Laws.
- (j) Public Access to Shoreline. The Development shall be operated so as to assure optimum public access to the shoreline.
- (k) Restoration of Area. The Permittee, upon revocation or expiration of the permit, shall upon order of the Committee or the Commissioner, and in their sole discretion, remove all structures authorized by the permit and/or comply with any directive of the Committee or the Commissioner in satisfying the original permit conditions in such time and manner as the Committee, or the Commissioner may direct.
- (l) Notices. All notices sent or required to be sent hereunder must be by certified mail, return receipt requested. If addressed to the Permitter, same shall be sent to the Commissioner of the Department of Planning and Natural Resources, Cyril E. King Airport, Terminal Building, 2nd Floor, St. Thomas, US Virgin Islands 00802 or to such other place as the Permitter may hereinafter designate. If addressed to the Permittee, same shall be sent to MOF VI LIMITED PARTNERSHIP, No. 6142 Campbell Road, Suite 2000, Dallas TX 7524875, or to such place as the Permittee may hereinafter designate by certified mail, return receipt requested.
- (m) Non Waiver. One or more waivers by the Permitter of any covenant or condition of this permit shall not be construed as a waiver of a further breach of the covenant or condition. The consent or approval of the Permitter to or of any acts by the Permittee requiring the Permitter's consent or approval shall not be construed as approval of any subsequent similar act by the Permittee.
- (n) Revocation. It is specifically understood that all the foregoing covenants and agreements, as well as other terms and special conditions hereby agreed to by the Permittee, are to be well and faithfully kept by Permittee and that any failure by Permittee to keep same will result in revocation of this permit.

- (o) Other Approval. If the development covered under this permit requires separate and distinct approval from the United States Government or any agency, department, commission or bureau thereof, then no development or occupancy is allowed under this permit until such permits or approvals have been obtained.
- (p) Abandonment. If the Permittee abandons, deserts or vacates the premises or discontinues its operation at the premises for a period totaling six (6) consecutive months, the permit will terminate automatically and be rendered null or void.
- (q) Signatures on the Permit Document. The applicant shall sign and return the permit document to DPNR within sixty (60) days of receipt thereof. Failure to return the signed permit within the time period specified herein will be considered a rejection of the terms and conditions of the permit and will render the offer of the permit null and void, unless the applicant request a written extension and DPNR grants the written extension.
- (r) Damage and Repair of Premises Described in Paragraph 2. In the event of damage to or destruction of the premises described in paragraph 2 hereof, repair work may be done only after the permittee has notified DPNR in writing.

6). **SPECIAL CONDITIONS**

- a). Items 6(c), 6(l), 6(m), 6(q), 6(w), 6(y), 6(dd) of approved CZM permit No. CZT-82-87W shall remain in full force and effect.
- b). Item 6 (ff): Fire fighting equipment appropriate for the docking facilities shall be made available at the dock at all times.

7). **FEES**

Pursuant to V.I.R.& REGS Title12, Section 910-5(e) 8, the Commissioner of the Department of Planning and Natural Resources negotiated the following fees to be paid by the Permittee.

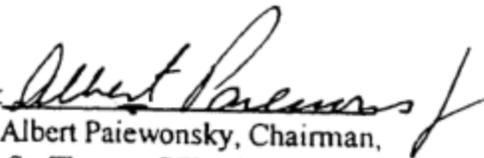
- a). An annual fee of twenty-five thousand dollars (\$25,000.00) per year was negotiated. Said annual fee is for the 10 foot wide boardwalk (10,700 sq.ft.) occupying the submerged lands.
- b). The first payment of the annual fees in paragraph 9 (a) above, shall be made payable to DPNR within five (5) days after the legislature ratifies this permit.
- c). The annual fees payable under this permit shall be adjusted at the commencement of the second (2nd) year of the permit term, and every year thereafter until the sixth (6th) year in accordance with the increase of the Consumer Price Index as established by the U.S. Department of Labor, Bureau of Labor Statistics for "All Items, All Urban Consumers (1967-100%)", (the "CPI") as follows, provided, however, that in no event shall the annual fee under any yearly adjustment be greater than 150% of the \$25,000 annual fee during the initial sixty (60) months of the term of the permit term.

- (i). The CPI as of the first (1st) month of the second (2nd) year of the term of the permit and the first (1st) month of each subsequent year of the permit shall be the "base price index" and the CPI as of the month immediately preceding the commencement of the second (2nd) year of the permit term and the commencement of each subsequent year of the permit term until the sixth (6th) year of the permit term shall be the "current price index".
- (ii). The current price index shall be divided by the base price index and the quotient thereof shall be multiplied by the sum of the annual fee of the prior year.
- (iii). The resulting product shall be the Annual Base Fee for the current year.
- (iv). At the end of the fifth (5th) year of the permit term, the annual fees shall be renegotiated. In no event shall any fee determined in the above manner be reduced below an annual fee of \$25,000.00

IT IS EXPRESSLY UNDERSTOOD by the parties hereto that the title to all submerged or filled land which is altered or occupied on the basis of this permit is in the Government of the Virgin Islands, and the Permittee shall have no right or interest therein, of any kind whatsoever, other than such rights as are expressly set forth herein, and that this instrument is not a lease.

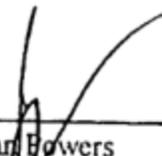
IN TESTIMONY WHEREOF, the parties herein have hereunto set their hands and seals on the days and years appearing herein below.

ST. THOMAS COMMITTEE OF THE VIRGIN ISLANDS CZM COMMISSION
Permitter

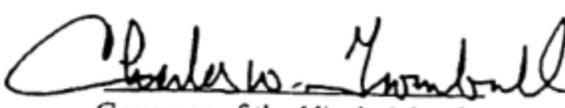
By: 
Albert Paiewonsky, Chairman,
St. Thomas CZM Committee

4-27-00
Date

MOF VI LIMITED PARTNERSHIP
Permittee

By: 
John Bowers
Senior Vice President,
MOF VI, LTD.

4/17/00
Date


Governor of the Virgin Islands

APPROVED

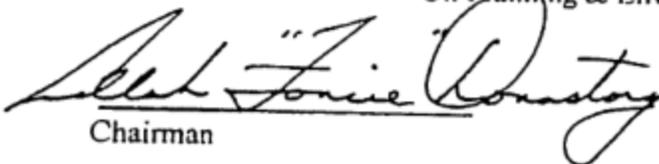
2/11/00
Date

RATIFIED
Legislature of the Virgin Islands

President of the Legislature

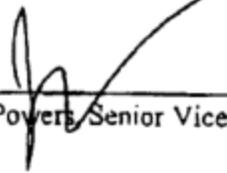
Date

Or if the Legislature is not in session Committee
On Planning & Environmental Protection


Chairman

9.14.2000
Date

I, Mr. John Powers, Senior Vice President of MOF VI LIMITED PARTNERSHIP do hereby certify that as Senior Vice President of MOF VI LIMITED PARTNERSHIP, I am duly authorized and empowered to sign this Permit on behalf of MOF VI LIMITED PARTNERSHIP.

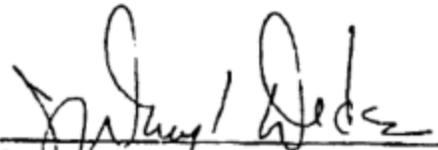


John Powers, Senior Vice President

4/17/00

Date

SWORN AND SUBSCRIBED before me
this 17 Day of April 2000



Notary Public

J. Daryl Dodson
LNP 99-15
Commission Expires:
January 31, 2003



GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES

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DEPARTMENT OF PLANNING AND NATURAL RESOURCES

Division of Coastal Zone Management
Cyril E. King Airport, Terminal Building Second Floor
St. Thomas, Virgin Islands 00802

Fax: [REDACTED]

Tel: (340) 774-3320

December 4, 2000

Mr. John Powers
Senior Vice President
MOF VI Limited Partnership
No. 6142 Campbell Road, Suite 2000
Dallas, TX. 7524875

RE: Request for Modification of Coastal Zone Management (CZM) Major Permit
Nos. CZT-4-99W & CZT-53-85SL: MOF VI LIMITED PARTNERSHIP

Dear Mr. Powers::

On December 4, 2000, the St. Thomas Committee of the V.I. CZM Commission met to act on your request for modification of CZM Permit Nos. CZT-4-99W & CZT-53-85SL.

The proposed modifications consist of the following:

CZT-4-99W:

Section 2. "SCOPE" delete in its entirety and insert the following, "This permit approves the use and occupancy of filled lands consisting of .641 acres or 27,921.96 square feet, located at Parcel No. 18-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

Section 3. "TERM", after the last sentence in this section, the following language shall be inserted, "For financing purposes, this permit shall be deemed to be a lease of Parcel No. 18-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

Section 7 (a). FEES, delete in its entirety and insert the following language, "An annual fee of thirty-one thousand, five hundred and twenty two dollars, and twenty two cents (\$31,522.22) per year was negotiated. Said annual fee is for the use and occupancy of .641 acres of filled lands located at Parcel No. 18-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

CZT-53-85SL:

Section 2.SCOPE, delete in its entirety and insert the following language, "This permit approves the use and occupancy of five docks, of which three are "T" shaped docks, twenty-eight (28) finger piers, a ten (10) foot wide boardwalk connecting the docks and a rock armor wall that runs parallel to the boardwalk on its landward side. The total square foot area of the structures occupying the submerged land is approximately 11, 194 square feet. This permit also approves the use and occupancy of approximately 130,000 square feet of submerge area surrounding the structures that are listed above. This development is located seaward of Parcel No. 18-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

Section 7(a) FEES, delete in its entirety and insert the following language, "An annual fee of thirty thousand, ~~five~~ nine dollars, and sixty-nine cents (\$30,059.69) per year shall be charged for the use and occupancy of the submerged land area occupied under this permit. Said fee is composed of the

sum of six thousand, one hundred and fifty dollars (\$6,150.00) for the structures occupying submerged lands, seventeen thousand, nine hundred and seven dollars, and seventy three cents (\$17,907.73) for the use of the mooring area around the structures, and a 25% increase pursuant to Section 7(d) of CZT-53-85SL."

It was determined that the proposed modification does not change the nature, scope or characteristics of your approved Major CZM Permit Nos. CZT-4-99(W) & CZT-53-85SL. Therefore, your request for the modification, as described above, is hereby Approved.

If you have any questions or concerns, please feel free to contact Ms. Janice D. Hodge, Director of CZM at [REDACTED].

Sincerely,


Austin Monsanto

Acting Chairman, St. Thomas CZM Committee

cc: Dean C. Plaskett, Esq., Commissioner
Janice D. Hodge, Director, CZM
Julita de Leon, Legal Counsel
file
A. James Casner

EXHIBIT B

COASTAL ZONE MANAGEMENT PERMIT NO. CZT-81-87(L)

01/19/2007 3:07PM
Official Records of
ST THOMAS/ST JOHN
WILMA O. HART SMITH
RECORDER OF DEEDS

EXHIBIT B

MAJOR COASTAL ZONE PERMIT NO. CZT-81-87L

1. AUTHORITY. This permit is issued by the Department of Planning and Natural Resources of the Government of the Virgin Islands (hereinafter "The Department") on behalf of the Coastal Zone Management Commission pursuant to Title 12, Chapter 21, Virgin Islands Code. As herein, "Permitter" is the Government of the Virgin Islands and "Permittee" is American Yacht Harbor Associates
2. SCOPE. This permit allows the Permittee to demolish twelve (12) of the existing 14 builds, renovation of the two (2) remaining structures and the construction of four (4) new structures. The existing gas station will be relocated. One hundred fifty nine (159) parking spaces will be provided. This facility will be located at Parcels No. 18A-1, 18B, 18B-1 Estate Smith Bay, St. Thomas, Virgin Islands.
3. TERM. This permit is effective upon its signing by the Chairman of the Committee of the Coastal Zone Management Commission, pursuant to V. I. Code, Title 12, Chapter 21. Authorization for construction under this permit shall expire if the Permittee fails to commence work within twelve (12) months from the date this permit becomes effective.
4. DOCUMENTS INCORPORATED BY REFERENCE.
 - Exhibit A - Letter of application to the Commissioner, dated March 29, 1987.
 - Exhibit B - CZM permit application, dated March 29, 1987.
 - Exhibit C - Major Environmental Assessment Report.
 - Exhibit D - Public Works Department Map No. A9-44-165.
 - Exhibit E - Project drawings.
5. GENERAL CONDITIONS.
 - (a) Liability. The Permittee agrees to assume full and complete responsibility for all liability to any person or persons, including employees, as a result of its control of the area described in paragraph 2 of this permit, and all improvements thereon (which area and improvements are hereinafter referred to as "the premises"), and to hold the Permitter free and harmless for civil or other liability to any kind during...

92 MAY 25 11:26

5. GENERAL CONDITIONS [REDACTED].

- (b) Personal Property and Damage. All personal property of any kind or description whatsoever located on the premises shall be there at the Permittee's sole risk.
- (c) Assigned or Transfer. This permit may be transferred or assigned as provided in Section 910-15 of the Regulations of the Coastal Zone Management Act.
- (d) Permit to be Displayed. A placard evidencing the permit shall be posted in a conspicuous place at the project site during the entire period of work.
- (e) Reliance on information and Data. The Permittee affirms that the information and data which it provided in connection with its permit application is true and accurate, and acknowledges that if subsequent to the effective date of this permit such information and data proves to be false or inaccurate, the permit may be modified, suspended or revoked in whole or in part, and that the Commissioner or the Committee may, in addition, institute appropriate legal action.
- (f) Development to be Commenced. Any and all development approved by this Coastal Zone Permit shall be commenced within twelve (12) months from the date this permit becomes effective. Failure to perform substantial work within such period and thereafter until the completion of construction shall cause the permit to lapse and render it null and void unless an extension is granted by the Committee.
- (g) Notification of Completion. Upon completion of any activity authorized or required by this Coastal Zone Permit, the Permittee shall promptly so notify the District Director of the Division of Permits Office of Coastal Zone Management ("The Director") and, where the services of a professional engineer where required in undertaking the activity, a certification of compliance provided by the project and all applicable Virgin Islands Code required have been met, shall be filed with the Director.

5. GENERAL CONDITIONS [REDACTED].

- (h) Inspection. The Commission, its Committee, the Commissioner or their authorized agents or representatives shall have the power to enter at reasonable times during project working hours upon any lands or waters in the coastal zone for which this Coastal Zone Permit has been issued. The Permittee shall permit such entry for the purpose of inspection and ascertaining compliance with the terms and conditions of said Coastal Zone Permit. The Permittee shall provide access to such records as the Commission, its Committee, or the Commissioner in the performance of its or his duties under the Act may require the Permittee to maintain. Such records may be examined and copies shall be submitted to the Commission, its Committee or the Commissioner upon request.
- (i) Conditions of Premises. The development authorized by this permit shall be maintained in a safe, attractive and satisfactory condition and in accordance with the description, plans or drawings approved by the Committee.
- (j) Public Access to Shoreline. To be consistent with Section 910-10(9) of Title 12, V. I. Code, Chapter 21 Rules and Regulations, the development shall not be operated so as to unreasonably restrict public access to any recreational areas of the shoreline.
- (k) Restoration of Area. The Permittee, upon revocation or expiration of the permit, shall upon order of the Committee or the Commissioner, and in their sole discretion, remove all structures authorized by the permit and restore the area to its original condition, and/or modify such structures, and/or comply with any directive of the Committee or the Commissioner in satisfying the original permit condition in such time and manner as the Committee, or the Commissioner may direct.
- (l) Notices. All notices sent or required to be sent hereunder must be certified mail, return receipt requested. If addressed to the Permitter, same shall be sent to the Commissioner of Department of Planning and ...

5. GENERAL CONDITIONS ([REDACTED]).

or to such other place as the Permittor, may hereinafter designate by certified mail. If addressed to the Permittee, same shall be sent to American Yacht Harbor Associates, [REDACTED] Box 11550, St. Thomas, V.I. 00801 or to such other place as the Permittee may hereinafter designate by certified mail, return receipt requested.

(m) Nonwaiver. One or more waivers by the Permittor of any covenant or condition of this permit shall not be construed as a waiver of a further breach of the covenant or condition, and the consent or approval of the Permittor to or of any acts by the Permittee requiring the Permittor's consent or approval shall not be construed as approval of any subsequent similar act by the Permittee.

(n) Revocation. It is specifically understood that all the foregoing covenants and agreements, as well as other terms and special conditions hereby agreed to by Permittee and that any failure by Permittee to keep same will result in revocation of this permit.

(o) Other Approval. If the development covered under this permit requires separate and distinct approval from the United States Government or any agency, department, commission or bureau thereof, then no development is allowed under this permit until such permits or approvals have been obtained.

(p) Abandonment. If the Permittee abandons, deserts or vacates the premises for a period totalling six (6) consecutive months without written notification to the Director and receipt acknowledged, then the permit will terminate automatically and be rendered null and void.

6. SPECIAL CONDITIONS.

(a) All necessary federal and territorial permits shall be obtained prior to construction, unless otherwise noted.

(b) Three (3) complete sets of drawings shall be submitted to the Director.

6. SPECIAL CONDITIONS [REDACTED].

- approval prior to commencement of construction.
- (c) Filling will be allowed in accordance with the revised site plan dated August 21, 1987.
 - (d) Building A will be constructed as per the revised site plan dated August 21, 1987, and all new businesses housed therein shall be marine-oriented.
 - (e) The proposed observation tower is to be disallowed until plans are presented to DP-OCZM which demonstrate compliance with the height restrictions in the W-1 zone.
 - (f) Other qualifications being equal, Virgin Islands residents as of the date of permit approval shall be given preference when positions become available during the building, preparation and operation of the project. Additionally, an affirmative action officer shall be appointed the responsibility for preparation and monitoring of an annual affirmative action plan.
 - (g) A specific landscape plan for the entire project shall be submitted to DP-OCZM for approval prior to construction.
 - (h) Before construction or development commences, the Permittee shall deposit in escrow with the Department of Planning and Natural Resources, Division of Permits, the amount of \$6,500 per annum to be held for the duration of the project from signing of this permit. These funds will be disbursed by the Commissioner for the purpose of monitoring the construction and development of this approved project. Any amount which remains in the escrow account at the end of the project shall be returned to the Permittee no later than ten (10) days after invoicing.
 - (i) A plan shall be submitted prior to commencement of construction showing the number of access and egress points from Route 32 with minimal turning movements conflicts. This plan must be approved by the Department of Public Works.

6. SPECIAL CONDITIONS ([REDACTED]).

- (j) DP-OCZM must be notified and properly acknowledged response documented by at least three (3) working days prior to commencement of construction activities and upon completion of the development.
- (k) An alternative erosion and sedimentation control plan shall be submitted to be approved by DP-OCZM prior to the initiation of construction. All erosion control devices installed shall be properly maintained for effectiveness until the development is completed.
- (l) Any mangrove to be cut will be authorized and supervised by the DP-OCZM staff.
- (m) Permittee shall comply with Coast Guard regulations regarding the use of holding tanks.
- (n) Permittee must submit a letter from the Department of Public Works to DP-OCZM staff authorizing the Permittee to hook-up their sewage system to the public sewage system.
- (o) The Permittee shall obtain the required permits from the Division of Environmental Protection for the installation and operation of the electrical generator, and shall submit a revised site plan showing the location of the generators prior to issuance of occupancy permit.
- (p) The Permittee shall provide 159 parking spaces before occupancy of the new facility occurs.
- (q) The owners and/or managers of this project, including those responsible for its future operations shall cooperate with the V.I. Department of Education, University of the Virgin Islands and other agencies and instrumentalities in their training programs for the hospitality industry, and other operational aspects of the industry.
- (r) The Permittee shall obtain from the Department of Public Works a driveway permit.

5. SPECIAL CONDITIONS (CONT'D).

- architect registered in the U. S. Virgin Islands, to provide the regulatory flood evaluation data pursuant to Title 29, V.I. Code, Chapter 5, Section 294 (b)(4)-3 and the structures designed accordingly.
- (t) The Permittee shall obtain the required permits from the Division of Environmental Protection for the installation and operation of a reverse osmosis desalination plant prior to issuance of occupancy permit.
 - (u) A specific landscape plan for the entire project shall be submitted to the DCZM for approval prior to commencement of construction.
 - (v) A relocation plan for the existing businesses at the project site shall be submitted to Division of Permits prior to commencement of construction.
 - (w) During the operation of this facility, space shall be provided for any emergency vessel requiring temporary berthing.
 - (x) A permit to construct a sidewalk from the western boundary of the Ivanna Eudora Kean High School to the eastern boundary of the project site shall be obtained prior to commencement of construction of this project.
 - (y) For the duration of this permit and any subsequent government leases which may supercede this permit, only marine-related businesses shall be allowed to operate on the site of this development. Prior to the issuance of a certificate of occupancy, Permittee shall submit a list of prospective tenants to the St. Thomas CZM Committee for review and approval.
 - (z) To ensure the opportunity for the established businesses at the development site to continue their business operations, any persons or entities operating under a lease or occupancy agreement will be given the right of first refusal to available space.

6. SPECIAL CONDITIONS ([REDACTED]).

- (aa) The location of filled submerged lands and building A will conform to the siting and location as indicated on the revised site plan dated August 21, 1987, which is an appendix to this permit.
- (bb) All dredge spoils transported from the development site will be transported in sealed, watertight tank trucks.
- (cc) An economic impact assessment shall be submitted to the DP-OCZM staff for approval prior to commencement of construction.
- (dd) The dinghy dock shall maintain its present dimensions, and no restaurant be allowed thereon.
- (ee) Fire fighting equipment appropriate for the docking facilities shall be made available at the dock at all times. Permittee shall consult with the Virgin Islands Fire Department to ascertain the necessary requirements. The Office of Coastal Zone Management shall be furnished an approved copy of the requirements prior to commencement of construction.
- (ff) The developer shall submit to DP-OCZM a detailed plan of the areas subjected to a 100 year frequency storm--both tidal and inland (rain induced) prior to construction. Account shall be taken of the wave effect for flooding. The plan shall show both flooding elevations and probable energy impacts due to wave action.
- (gg) In addition, special conditions g through J, of Permit No. T-137-81W, granted to Lagoon Marina Incorporated on September 9, 1987, shall remained in effect except where in conflict with this permit.

IN TESTIMONY WHEREOF, the parties herein have hereunto
set their hands and seals on the days and years appearing
herein below.

GOVERNMENT OF THE VIRGIN ISLANDS, Permittor

By: *Albert Perkinson*
Chairman, St. Thomas Committee
Coastal Zone Management Commission

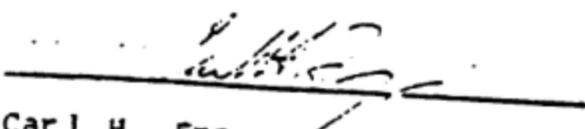
5-12-88
Date

AMERICAN YACHT HARBOR ASSOCIATES
Permittee

By: *Carl Freyer*
Carl Freyer

3/2/88
Date

I, Carl H. Freyer, do hereby certify that I am the General Partner of American Yacht Harbor Associates, a United States Virgin Island Limited Partnership duly licensed and/or registered to do business in the U.S. Virgin Islands, that Carl Freyer who signed this permit is General Partner of said limited partnership, that he is authorized by the Agreement of Limited Partnership to execute this permit in the name of and in behalf of said limited partnership. I further certify that the making of this permit is within the scope of the limited partnership's powers.


- Carl H. Freyer
General Partner

WORN TO AND SUBSCRIBED before me
this 21st day of March,

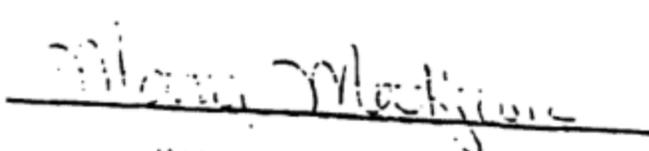

Notary Public My Commission Expires Mar. 31, 1993

EXHIBIT C

COASTAL ZONE MANAGEMENT PERMIT NO. CZT-53-85(SL)

COASTAL ZONE PERMIT NO. CZT-53-855L
(Renewal of SLP No. 31; 216 and CZT-137-81W)

1. AUTHORITY. This permit issued by the Department of Conservation and Cultural Affairs of the Government of the Virgin Islands (hereinafter "The Department") on behalf of the Coastal Zone Management Commission pursuant to Title 12, Chapter 21, Virgin Islands Code. As herein, "Permitter" is the Government of the Virgin Islands and "Permittee" is the Lagoon Marina, Inc. This permit supersedes Submerged Lands Permits, SLP No. 31 and 216, and CZT-137-81W.

2. SCOPE. This Permit is for the renewal of Submerged Land Permits No. 31 and 216 to conform with the rules and regulations of Act 4248, and to combine CZT-137-81W hereto. The Permittee is allowed to use, occupy and maintain the existing marine facilities located on and seaward of Plots No. 18-6, 18-8-1 and 18-11-1, Estate Smith Bay, No. 1, 2 & 3 East End Quarter, St. Thomas, Virgin Islands. Said facilities consist of eight (8) piers of various lengths, five (5) of which have finger piers attached; a boardwalk interconnecting docks A to B, and C to D; all with mooring piles; and a boat ramp. Structures are attached to an unnumbered parcel of filled submerged lands 0.27 U.S. Acre. The above, being described in Exhibit A & B are attached hereto and made a part hereof.

3. TERM. This permit is effective upon its approval by the Commissioner of the Department of Conservation and Cultural Affairs, the Governor, and ratification by the Legislature of the Virgin Islands or by the Committee on Conservation, Recreation and Cultural Affairs if the Legislature is not in session pursuant to Title 12, Chapter 21, Virgin Islands Code. No construction is authorized by the combining of SLP #31, 216 and CZT-137-81W herein.

This permit shall expire Fifteen (15) years after its effective date, subject to renewal pursuant to Title 12, Chapter 21, Section 911 Part (c), of the Virgin Islands Code.

4. DOCUMENTS INCORPORATED BY REFERENCE.

Exhibit A - Sketch describing piers and submerged lands.

Exhibit B - 1. Submerged Lands Permit No. 31.
2. Submerged Lands Permit No. 216
3. CZT-137-81W

Exhibit C - Title Survey Drawing No. 1358-6, dated certified 3/5/85.

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E. GENERAL CONDITIONS

- (a) Liability. The Permittee agrees to assume full and complete responsibility for all liability to any person or persons, including employees, as a result of its control of the area described in Paragraph 2 of this permit, and all improvements thereon (which area and improvements are hereinafter referred to as "the premises"), and to hold the Permitter free and harmless from civil or other liability of any kind during the time the Permittee is in control of the premises pursuant to this permit.
- (b) Personal Property and Damage. All personal property of any kind or description whatsoever located on the premises shall be there at the Permittee's sole risk.
- (c) Assigned or Transfer. This permit may not be transferred or assigned except as provided in Section 910-15 of the Regulations of the Coastal Zone Management Act.
- (d) Permit to be Displayed. A placard evidencing the permit shall be posted in a conspicuous place at the project site during the entire period of work.
- (e) Reliance on Information and Data. The Permittee affirms that the information and data which it provided in connection with its permit application is true and accurate, and acknowledges that if subsequent to the effective date of this permit such information and data proves to be false or inaccurate, the permit may be modified, suspended or revoked in whole or in part, and that the Commissioner or the Committee may, in addition, institute appropriate legal action.
- (f) Development to be Commenced. Any and all development approved by this Coastal Zone Permit shall be commenced within twelve (12) months from the date this permit becomes effective. Failure to perform substantial work within such period and thereafter until the completion of construction, shall cause the permit to lapse and render it null and void unless an extension is granted by the Committee.
- (g) Notification of Completion. Upon completion of any activity authorized or required by this Coastal Zone Permit, the Permittee shall promptly so notify the Director of the Division of Coastal Zone Management ("The Director") and, where the services of a professional engineer were required in undertaking the activity, a certification of compliance provided by the project engineer that the plans and specifications of the project and all applicable Virgin Islands Code requirements have been met, shall be filed with the Director.

5. GENERAL CONDITIONS.

- (h) Inspection. The Commission, its Committee, the Commissioner or their authorized agents or representatives shall have the power to enter at reasonable times upon any lands or waters in the coastal zone for which this Coastal Zone Permit has been issued. The Permittee shall permit such entry for the purpose of inspecting and ascertaining compliance with the terms and conditions of said Coastal Zone Permit. The Permittee shall provide access to such records as the Commission, its Committee, or the Commissioner in the performance of its or his duties under the Act may require the Permittee to maintain. Such records may be examined and copies shall be submitted to the Commission, its Committee or the Commissioner upon request.
- (i) Conditions of premises. The development authorized by this permit shall be maintained in a safe, attractive and satisfactory condition and in accordance with the description, plans or drawings approved by the Committee.
- (j) Public Access to Shoreline. The development shall be operated so as to assure optimum public access to the shoreline.
- (k) Restoration of Area. The Permittee, upon revocation or expiration of the permit, shall upon order of the Committee or the Commissioner, and in their sole discretion, remove all structures authorized by the permit and restore the area to its original condition, and/or modify structures, and/or comply with any directive of the Committee or the Commissioner in satisfying the original permit condition in such time and manner as the Committee, or the Commissioner may direct.
- (l) Notices. All notices sent or required to be sent hereunder must be by certified mail, return receipt requested. If addressed to the Permitter same shall be sent to the Commissioner of Conservation and Cultural Affairs, Government of the Virgin Islands, Post Office Box 4399, St. Thomas, U.S. Virgin Islands 00801 or to such other place as the Permitter may hereinafter designate by certified mail. If addressed to the Permittee, same shall be sent to Lagoon Marina, Inc. Red Hook, St. Thomas, V.I. 00802. or to such other place as the Permittee may hereinafter designate by certified mail, return receipt requested.
- (m) Nonwaiver. One or more waivers by the Permitter of any covenant or condition of this permit shall not be construed as a waiver of a further breach of the covenant or condition, and the consent or approval of the Permitter to or of any acts by the Permittee requiring the Permitter's consent or approval shall not be construed as approval of any subsequent similar act by the Permittee.
- (n) Revocation. It is specifically understood that all the foregoing covenants and agreements, as well as other terms and special conditions hereby agreed to by Permittee, are to be well and faithfully kept by Permittee and that any failure by Permittee

5. GENERAL CONDITIONS.

- (o) Other Approval. If the development covered under this permit requires separate and distinct approval from the United States Government or any agency, department, commission or bureau thereof, then no development is allowed under this permit until such permits or approvals have been obtained.
- (p) Abandonment. If the Permittee abandons, deserts or vacates the premises or discontinues its operations at the premises for a period totalling six (6) consecutive months, then the permit will terminate automatically and be rendered null and void.
- (q) Damage and Repair of Premises Described in Paragraph 2.
- (i) In the event of damage to or destruction of the premises described in Paragraph 2 hereof, repair work may be done only after a request to do so has been submitted in writing to the Department, and permission in writing has been granted. Repair must duplicate the original work, and must be accordance with applicable law, rules and regulations.
- (ii) General maintenance or repair resulting from normal wear and tear of operations may be carried out as a matter of right under this permit, but must be limited to the non-structural portion of the premises.

6. SPECIAL CONDITIONS.

- (a) No new buildings or structures are permitted under this permit.
- (b) An oil spill contingency plan is to be filed with the Director, within three (3) of approval of this permit.
- (c) The boats which have toilet facilities or generate waste shall be equipped with holding tanks from which waste can be pumped ashore.
- (d) The Permittee shall survey and record any and all filled submerged land as such with the Department of Public Works, and furnish the Department with a copy of said drawings.
- (e) The Permittee shall apply to the Department for a Terminal Facility License in order to operate the fuel terminal facilities contained therein, in accordance with Title 12, Chapter 17, Section 706 of the V.I. Code.

COASTAL ZONE PERMIT NO. CZT-53-85SL

- (f) The use of boat propellers for channel clearance is strictly prohibited.
- (g) The cutting, destruction or disturbance of Red Mangroves (*Rhizophora mangel*) is prohibited.
- (h) No boat scrapings, waste, debris, petroleum products or other pollution matter shall be deposited in the waters, or on the shorelands, which could cause pollution of the waters. All such waste shall be disposed of in an environmentally acceptable manner.
- (i) Dinghy dock areas will be provided along the bulkhead or in the general vicinity of public use.
- (j) Public access to the fill area will be maintained.

COASTAL ZONE PERMIT NO. CZT-53-85SL

7. FEES.

- (a) A fee of \$29,265.53 per year payable in advance shall be charged for the use and occupancy of the submerged land area occupied under this permit. Said fee is composed of the sum of \$6,150.00 for the structure occupying the submerged lands, \$17,907.73 for the mooring area around this structure and \$5,217.78 for the occupancy of 0.27± U.S. acres of filled submerged lands. This fee is assessed pursuant to Section 910-5 of the rules and regulation of the CZM Act.
- (b) In accordance with the provisions of SLP No. 216, Special Condition 5 (f), and CZT-137-31W, Fees 7 (a), a fee of \$2,407.40 per year, retroactive to April 14, 1978 pursuant to SLP No. 216, Fees 4 (a) shall be assessed. For calculation purposes, this retroactive fee shall terminate upon the approval date of this permit.
- (c) The first payment of the fees required in paragraph 7 (a) & (b) above shall become due and payable within thirty (30) days from the date when this permit is approved.
- (d) On each fifth anniversary of the effective date of this permit the rental fees established herein shall be renegotiated by the Permittor and the Permittee. Any increase in the amount of the rental fees shall be reasonable, but in any event shall not exceed twenty-five (25) percent of the fee for the preceeding five (5) year period.
- (e) All fees payable under this permit shall be paid to the Permittor regardless as to whether Permittee actually occupies or uses the submerged land described herein, provided, however that if the permit is modified to decrease/increase the submerged lands so occupied, then the fees shall also be decreased/increased consistent therewith.

COASTAL ZONE PERMIT NO. CZT-63-85SL

3. IT IS EXPRESSLY UNDERSTOOD by the parties hereto that the title to all submerged or filled land which is altered or occupied on the basis of this permit is in the Government of the Virgin Islands, and the Permittee shall have no right or interest therein, of any kind whatsoever, other than such rights as are expressly set forth herein, and that this instrument is not a lease.

IN TESTIMONY WHEREOF, the parties herein have hereunto set their hands and seals on the days and years appearing herein below.

GOVERNMENT OF THE VIRGIN ISLANDS

Permitter

David Lewis
Commissioner, Dept. of Conservation & Cultural Affairs

1/24/86
Date

LAGOON MARINA, INC.

Permittee

Scott H. Hall - Pres

1/25/86
Date

APPROVED

James Lewis
Governor of the Virgin Islands

1-29-86
Date

RATIFIED

Legislature of the Virgin Islands

President of the Legislature

Date

or if the Legislature is not in session Committee
on Conservation Recreation & Cultural Affairs

William
Chairman

2/11/86
Date

COASTAL ZONE PERMIT NO. CZT-53-655L

I, Claudette Smith, do hereby certify that I am the ^{ASST.} Secretary of the Lagoon Marina, Inc., a corporation duly licensed and/or registered to do business in the U.S. Virgin Islands, the William J. Clark who signed this permit is President of said corporation that he was authorized by its Board of Directors to execute this permit in the name of and in behalf of said corporation. I further certify that the making of this permit is within the scope of the corporation's powers.

[Signature]
Asst. Secretary

SWORN TO AND SUBSCRIBED before me

this 27th day of November 1996

[Signature]
Notary Public

MODIFICATION OF COASTAL ZONE PERMIT NO. CZT-53-85SL

WHEREAS, a Coastal Zone Permit CZT-53-85SL (Renewal of SLP No. 31; 216 and CZT-137-81W) was issued by the Government of the Virgin Islands, and ratified by the Legislature of the Virgin Islands on February 18, 1986; and

WHEREAS, a MEMORANDUM OF UNDERSTANDING dated April 21, 1993 was executed between the Government of the Virgin Islands, Department of Public Works and the Department of Planning and Natural Resources (on behalf of the Government of the Virgin Islands) and AMERICAN YACHT HARBOR ASSOCIATES, wherein the Government of the Virgin Islands agreed to accept 1,537 square feet of property owned by American Yacht Harbor Associates by appropriate deed to the Government of the Virgin Islands in exchange for a ten (10) year extension of the subject CZM Permit, CZT-53-85SL, all as more fully described therein; and

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WHEREAS, the Governor of the Virgin Islands on March 24, 1993 approved the said MEMORANDUM OF UNDERSTANDING and the Legislature of the Virgin Islands, through its Committee on Planning and Environmental Protection, ratified the said MEMORANDUM OF UNDERSTANDING on April 21, 1993; and

WHEREAS, a WARRANTY DEED dated September 16, 1991 was duly executed and has been held in escrow pending finalization of this matter and has now been duly received for recording by the Government of the Virgin Islands.

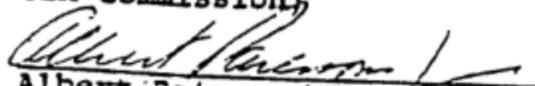
NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties to the MEMORANDUM OF UNDERSTANDING as set forth therein, THE ST. THOMAS COASTAL ZONE MANAGEMENT COMMITTEE, having met and having duly considered this matter fully, and having further duly voted on this matter on October 7, 1993, and having duly recorded such vote,

IT IS HEREBY THE ORDER OF THE ST. THOMAS COASTAL ZONE MANAGEMENT COMMITTEE, that CZT-53-85SL be, and the same is hereby, extended from February 17, 2001 to February 17, 2011.

Except as hereby modified, all other terms and provisions of said CZT-53-85SL remain in full force and effect.

DATED: October 12, 1993

ST. THOMAS COASTAL ZONE
MANAGEMENT COMMITTEE (of the
CZM Commission)


Albert Palswonsky, Chairman



GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES

-----O-----

DEPARTMENT OF PLANNING AND NATURAL RESOURCES

Division of Coastal Zone Management
Cyril E. King Airport, Terminal Building Second Floor
St. Thomas, Virgin Islands 00802

Fax: [REDACTED]

Tel: [REDACTED] 20

December 4, 2000

Mr. John Powers
Senior Vice President
MOF VI Limited Partnership
No. 6142 Campbell Road, Suite 2000
Dallas, TX. 7524875

RE: Request for Modification of Coastal Zone Management (CZM) Major Permit
Nos. CZT-4-99W & CZT-53-85SL: MOF VI LIMITED PARTNERSHIP

Dear Mr. Powers::

On December 4, 2000, the St. Thomas Committee of the V.I. CZM Commission met to act on your request for modification of CZM Permit Nos. CZT-4-99W & CZT-53-85SL.

The proposed modifications consist of the following:

CZT-4-99W:

Section 2. "SCOPE" delete in its entirety and insert the following. "This permit approves the use and occupancy of filled lands consisting of .641 acres or 27,921.96 square feet, located at Parcel No. 18-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

Section 3. "TERM", after the last sentence in this section, the following language shall be inserted. "For financing purposes, this permit shall be deemed to be a lease of Parcel No. 18-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

Section 7 (a). FEES, delete in its entirety and insert the following language, "An annual fee of thirty-one thousand, five hundred and twenty two dollars, and twenty two cents (\$31, 522.22) per year was negotiated. Said annual fee is for the use and occupancy of .641 acres of filled lands located at Parcel No. 18-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

CZT-53-85SL:

Section 2.SCOPE, delete in its entirety and insert the following language, "This permit approves the use and occupancy of five docks, of which three are "T" shaped docks, twenty-eight (28) finger piers, a ten (10) foot wide boardwalk connecting the docks and a rock armor wall that runs parallel to the boardwalk on its landward side. The total square foot area of the structures occupying the submerged land is approximately 11, 194 square feet. This permit also approves the use and occupancy of approximately 130,000 square feet of submerge area surrounding the structures that are listed above. This development is located seaward of Parcel No. 1 8-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

Section 7(a) FEES, delete in its entirety and insert the following language, "An annual fee of thirty thousand, ~~forty~~ ^{forty} nine dollars, and sixty-nine cents (\$30,059.69) per year shall be charged for the use and occupancy of the submerged land area occupied under this permit. Said fee is composed of the sum of six thousand, one hundred and fifty dollars (\$6,150.00) for the structures occupying submerged lands, seventeen thousand, nine hundred and seven dollars, and seventy three cents (\$17,907.73) for the use of the mooring area around the structures, and a 25% increase pursuant to Section 7(d) of CZT-53-85SL."

It was determined that the proposed modification does not change the nature, scope or characteristics of your approved Major CZM Permit Nos. CZT-4-99(W) & CZT-53-85SL. Therefore, your request for the modification, as described above, is hereby Approved.

If you have any questions or concerns, please feel free to contact Ms. Janice D. Hodge, Director of CZM at [REDACTED].

Sincerely,


Austin Monsanto

Acting Chairman, St. Thomas CZM Committee

cc: Dean C. Plaskett, Esq., Commissioner
Janice D. Hodge, Director, CZM
Julita de Leon, Legal Counsel
file
A. James Casner

EXHIBIT D

PROPERTY DESCRIPTION

Parcel No. 18A-1 Remainder Estate Smith Bay
Nos. 1, 2 and 3 East End Quarter
St. Thomas, U.S. Virgin Islands
as shown on O.L.G. Drawing No. D9-5196-T91
dated February 19, 1991,
consisting of 0.22 acre, more or less,

Parcel No. 18B-1 Remainder Estate Smith Bay
Nos. 1, 2 and 3 East End Quarter
St. Thomas, U.S. Virgin Islands
as shown on O.L.G. Drawing No. D9-5196-T91
dated February 19, 1991,
consisting of 0.48 acre, more or less,

Parcel No. 18B Remainder Estate Smith Bay
Nos. 1, 2 and 3 East End Quarter
St. Thomas, U.S. Virgin Islands
as shown on O.L.G. Drawing No. D9-5196-T91
dated February 19, 1991,
consisting of 1.42 acres, more or less

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Pages 43
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Official Records of
ST THOMAS/ST JOHN
WILMA O. HART SMITH
RECORDER OF DEEDS
Fees \$85.00

Doc# 2007000533

MAJOR COASTAL ZONE MANAGEMENT PERMIT NO. CZT-4-99W

1. **AUTHORITY.** This permit is issued by the St. Thomas Committee of the Virgin Islands Coastal Zone Management (CZM) Commission and is administered and monitored by the Department of Planning and Natural Resources (DPNR) on behalf of the Coastal Zone Management Commission pursuant to V.I. Code, tit. 12, section 910 and 911, and any other provisions of the Coastal Zone Management Act applicable. As herein, "Permitter" is the St. Thomas Committee of the Virgin Islands Coastal Zone Management Commission and "Permittee" is **MOF VI LIMITED PARTNERSHIP**

2. **SCOPE.**
 - (a). This permit approves the renewal of CZM Permit No. CZT-82-87W. The original permit which was issued on October 31, 1988, allowed the permittee to dredge the existing marina by 1.5 feet to allow for adequate depth for the vessels. The permit also allowed the permittee to construct a rock armour wall and a ten (10) foot wide boardwalk. One hundred and fifty nine (159) parking spaces were also provided. The scope of work described in CZM Permit No. CZT-82-87W has been completed. This facility is located at and seaward of Parcel Nos. 18A-1, 18B and 18B-1, Estate Smith Bay, St. Thomas, Virgin Islands.

 - (b). The Permittee is allowed to use, occupy and maintain the facility described above for the term ("TERM") set forth below. It shall not constitute a property right and may be renewed only in accordance with V.I. Code, tit. 12, section 911.

3. **TERM.** This permit is effective upon its signing by the Chairman of the St. Thomas Committee of the V.I. CZM Commission, the Governor of the Virgin Islands, and ratified by the Legislature of the Virgin Islands or by the Committee on Planning and Environmental Protection, if the Legislature is not in session. As used herein, the "Effective Date" or "the date hereof" means the date of such ratification. This permit will expire ten (10) years after the Effective Date. The Permittee shall have the option to renew the permit within ninety (90) days before the permit expires and the renewal terms are subject to negotiations. This permit is issued for a definite term, ten (10) years, and shall not constitute a property right.

4. **DOCUMENTS INCORPORATED BY REFERENCE**
 - Exhibit A: A letter of Application to CZM Committee dated March 12, 1999.
 - Exhibit B: Joint Army Corps of Engineers Application dated March 12, 1999.
 - Exhibit C: Copy of Major Permit CZM Permit No. CZT-82-87W.
 - Exhibit D: Site Plan dated July 26, 1995

Exhibit E: Special Warranty Deed between AYH Holdings and MOF VI, Ltd.
Exhibit F: Certificate of Existence for MOF VI LIMITED PARTNERSHIP.

5. GENERAL CONDITIONS

- (a) Liability. The Permittee agrees to assume full and complete responsibility for all liability to any person or persons, including employees, as a result of its control of the area described in Paragraph 2 of this permit, and all improvements thereon (which area and improvements are hereinafter referred to as "the premises"), and to hold the Permittor free and harmless for civil or other liabilities of any kind during the time the Permittee is in control of the premises pursuant to this permit.
- (b) Personal [REDACTED] Damage. All personal property of any kind or description whatsoever located on the premises shall be there at the Permittee's sole risk.
- (c) Assignment or Transfer. This permit may not be transferred or assigned except as provided in Section 910-15 of the V.I. R®S.
- (d) Permit to be Displayed. A placard evidencing the permit shall be posted in a conspicuous place at the project site during the entire work period.
- (e) Reliance on Information and Data. The Permittee affirms that the information and data which it provided in connection with its permit application are true and accurate, and acknowledges that if subsequent to the effective date of this permit such information and data prove to be false or inaccurate, the permit may be modified, suspended or revoked in whole or in part, and that the Commissioner or the Committee may, in addition, institute appropriate legal action.
- (f) Development to be Commenced. Any and all development approved by this Coastal Zone Permit shall begin within twelve (12) months from the date this permit becomes effective and shall be continuous until completion. Failure to perform at least fifty (50%) percent of the work within such period and continuously construct thereafter until the completion of construction shall cause the permit to terminate automatically and render it null and void, unless the permittee requests an extension in writing and demonstrates to the satisfaction of the Committee that good cause exists for granting such extension.
- (g) Notification of Completion. Upon completion of any activity authorized or required by this Coastal Zone Permit, the Permittee shall promptly so notify the Director of the Division of CZM and where the services of a professional engineer were required in undertaking the activity, a certification of compliance provided by the project engineer that the plans and specifications of the project and all applicable V.I. Code requirements have been met, shall be filed with said Director.

- (h) Inspection. The Commission, its Committee, the Commissioner or their authorized agents or representatives shall have the power to enter at reasonable times during project working hours upon any lands or waters in the coastal zone for which this Coastal Zone Permit has been issued. The Permittee shall permit such entry for the purpose of inspection and ascertaining compliance with the terms and conditions of said Coastal Zone Permit. The Permittee shall provide access to such records as the Commission, its Committee, or the Commissioner in the performance of it or his duties under the CZM Act may require the Permittee to maintain. Such records may be examined, and copies shall be submitted to the Commission, its Committee or the Commissioner upon request.
- (i) Conditions of Premises. The Development authorized by this permit shall be maintained in a safe condition and in accordance with the description, plans, or drawings approved by the Commissioner or by the Committee, and all applicable V.I. Laws.
- (j) Public Access to Shoreline. The Development shall be operated so as to assure optimum public access to the shoreline.
- (k) Restoration of Area. The Permittee, upon revocation or expiration of the permit, shall upon order of the Committee or the Commissioner, and in their sole discretion, remove all structures authorized by the permit and/or comply with any directive of the Committee or the Commissioner in satisfying the original permit conditions in such time and manner as the Committee, or the Commissioner may direct.
- (l) Notices. All notices sent or required to be sent hereunder must be by certified mail, return receipt requested. If addressed to the Permittor, same shall be sent to the Commissioner of the Department of Planning and Natural Resources, Cyril E. King Airport, Terminal Building, 2nd Floor, St. Thomas, US Virgin Islands 00802 or to such other place as the Permittor may hereinafter designate. If addressed to the Permittee, same shall be sent to MOF VI LIMITED PARTNERSHIP, No. 6142 Campbell Road, Suite 2000, Dallas TX 7524875, or to such place as the Permittee may hereinafter designate by certified mail, return receipt requested.
- (m) Non Waiver. One or more waivers by the Permittor of any covenant or condition of this permit shall not be construed as a waiver of a further breach of the covenant or condition. The consent or approval of the Permittor to or of any acts by the Permittee requiring the Permittor's consent or approval shall not be construed as approval of any subsequent similar act by the Permittee.
- (n) Revocation. It is specifically understood that all the foregoing covenants and agreements, as well as other terms and special conditions hereby agreed to by the Permittee, are to be well and faithfully kept by Permittee and that any failure by Permittee to keep same will result in revocation of this permit.

- (o) Other Approval. If the development covered under this permit requires separate and distinct approval from the United States Government or any agency, department, commission or bureau thereof, then no development or occupancy is allowed under this permit until such permits or approvals have been obtained.
- (p) Abandonment. If the Permittee abandons, deserts or vacates the premises or discontinues its operation at the premises for a period totaling six (6) consecutive months, the permit will terminate automatically and be rendered null or void.
- (q) Signatures on the Permit Document. The applicant shall sign and return the permit document to DPNR within sixty (60) days of receipt thereof. Failure to return the signed permit within the time period specified herein will be considered a rejection of the terms and conditions of the permit and will render the offer of the permit null and void, unless the applicant request a written extension and DPNR grants the written extension.
- (r) Damage and Repair of Premises Described in Paragraph 2. In the event of damage to or destruction of the premises described in paragraph 2 hereof, repair work may be done only after the permittee has notified DPNR in writing.

6. SPECIAL CONDITIONS

- a). Items 6(c), 6(l), 6(m), 6(q), 6(w), 6(y), 6(dd) of approved CZM permit No. CZT-82-87W shall remain in full force and effect.
- b). Item 6 (ff): Fire fighting equipment appropriate for the docking facilities shall be made available at the dock at all times.

7. FEES

Pursuant to V.I.R.& REGS Title 12, Section 910-5(e) 8, the Commissioner of the Department of Planning and Natural Resources negotiated the following fees to be paid by the Permittee.

- a). An annual fee of twenty-five thousand dollars (\$25,000.00) per year was negotiated. Said annual fee is for the 10 foot wide boardwalk (10,700 sq.ft.) occupying the submerged lands.
- b). The first payment of the annual fees in paragraph 9 (a) above, shall be made payable to DPNR within five (5) days after the legislature ratifies this permit.
- c). The annual fees payable under this permit shall be adjusted at the commencement of the second (2nd) year of the permit term, and every year thereafter until the sixth (6th) year in accordance with the increase of the Consumer Price Index as established by the U.S. Department of Labor, Bureau of Labor Statistics for "All Items, All Urban Consumers (1967-100%), (the "CPI") as follows, provided, however, that in no event shall the annual fee under any yearly adjustment be greater than 150% of the \$25,000 annual fee during the initial sixty (60) months of the term of the permit term.

- (i). The CPI as of the first (1st) month of the second (2nd) year of the term of the permit and the first (1st) month of each subsequent year of the permit shall be the "base price index" and the CPI as of the month immediately preceding the commencement of the second (2nd) year of the permit term and the commencement of each subsequent year of the permit term until the sixth (6th) year of the permit term shall be the "current price index".
- (ii). The current price index shall be divided by the base price index and the quotient thereof shall be multiplied by the sum of the annual fee of the prior year.
- (iii). The resulting product shall be the Annual Base Fee for the current year.
- (iv). At the end of the fifth (5th) year of the permit term, the annual fees shall be renegotiated. In no event shall any fee determined in the above manner be reduced below an annual fee of \$25,000.00

IT IS EXPRESSLY UNDERSTOOD by the parties hereto that the title to all submerged or filled land which is altered or occupied on the basis of this permit is in the Government of the Virgin Islands, and the Permittee shall have no right or interest therein, of any kind whatsoever, other than such rights as are expressly set forth herein, and that this instrument is not a lease.

IN TESTIMONY WHEREOF, the parties herein have hereunto set their hands and seals on the days and years appearing herein below.

ST. THOMAS COMMITTEE OF THE VIRGIN ISLANDS CZM COMMISSION
Permitter

By: Albert Paiewonsky
Albert Paiewonsky, Chairman,
St. Thomas CZM Committee

4-27-00
Date

MOF VI LIMITED PARTNERSHIP
Permittee

By: John Howers
John Howers
Senior Vice President,
MOF VI, LTD.

4/19/00
Date

Charles W. Turnbull
Governor of the Virgin Islands

APPROVED
2/11/00
Date

RATIFIED
Legislature of the Virgin Islands

President of the Legislature

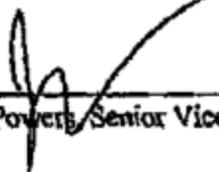
Date

Or if the Legislature is not in session Committee
On Planning & Environmental Protection

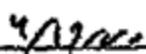
Alan Louis Anthony
Chairman

9.14.2000
Date

I, Mr. John Powers, Senior Vice President of MOF VI LIMITED PARTNERSHIP do hereby certify that as Senior Vice President of MOF VI LIMITED PARTNERSHIP, I am duly authorized and empowered to sign this Permit on behalf of MOF VI LIMITED PARTNERSHIP.



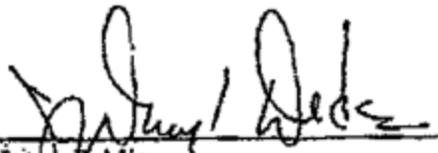
John Powers, Senior Vice President



Date

SWORN AND SUBSCRIBED before me

this 17 Day of April 2000



Notary Public

J. Daryl Dodson
LMP 99-15
Commission Expires:
January 31, 2003



GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES

DEPARTMENT OF PLANNING AND NATURAL RESOURCES

Division of Coastal Zone Management
Cyril E. King Airport, Terminal Building Second Floor
St. Thomas, Virgin Islands 00802

Fax: [REDACTED]

Tel: [REDACTED]

December 4, 2000

Mr. John Powers
Senior Vice President
MOF VI Limited Partnership
No. 6142 Campbell Road, Suite 2000
Dallas, TX, 7524875

RE: Request for Modification of Coastal Zone Management (CZM) Major Permit
Nos. CZT-4-99W & CZT-53-85SL: MOF VI LIMITED PARTNERSHIP

Dear Mr. Powers::

On December 4, 2000, the St. Thomas Committee of the V.I. CZM Commission met to act on your request for modification of CZM Permit Nos. CZT-4-99W & CZT-53-85SL.

The proposed modifications consist of the following:

CZT-4-99W:

Section 2. "SCOPE" delete in its entirety and insert the following, "This permit approves the use and occupancy of filled lands consisting of .641 acres or 27,921.96 square feet, located at Parcel No. 18-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

Section 3. "TERM", after the last sentence in this section, the following language shall be inserted, "For financing purposes, this permit shall be deemed to be a lease of Parcel No. 18-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

Section 7 (a). FEES, delete in its entirety and insert the following language, "An annual fee of thirty-one thousand, five hundred and twenty two dollars, and twenty two cents (\$31, 522.22) per year was negotiated. Said annual fee is for the use and occupancy of .641 acres of filled lands located at Parcel No. 18-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

CZT-53-85SL:

Section 2 SCOPE, delete in its entirety and insert the following language, "This permit approves the use and occupancy of five docks, of which three are "T" shaped docks, twenty-eight (28) finger piers, a ten (10) foot wide boardwalk connecting the docks and a rock armor wall that runs parallel to the boardwalk on its landward side. The total square foot area of the structures occupying the submerged land is approximately 11, 194 square feet. This permit also approves the use and occupancy of approximately 130,000 square feet of submerge area surrounding the structures that are listed above. This development is located seaward of Parcel No. 18-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

Section 7(a) FEES, delete in its entirety and insert the following language, "An annual fee of thirty thousand , fifty nine dollars, and sixty-nine cents (\$30,059.69) per year shall be charged for the use and occupancy of the submerged land area occupied under this permit. Said fee is composed of the

sum of six thousand, one hundred and fifty dollars (\$6,150.00) for the structures occupying submerged lands, seventeen thousand, nine hundred and seven dollars, and seventy three cents (\$17,907.73) for the use of the mooring area around the structures, and a 25% increase pursuant to Section 7(d) of CZT-53-85SL."

It was determined that the proposed modification does not change the nature, scope or characteristics of your approved Major CZM Permit Nos. CZT-4-99(W) & CZT-53-85SL. Therefore, your request for the modification, as described above, is hereby Approved.

If you have any questions or concerns, please feel free to contact Ms. Janice D. Hodge, Director of CZM at [REDACTED]

Sincerely,



Austin Monsanto
Acting Chairman, St. Thomas CZM Committee

cc: Dean C. Plaskett, Esq., Commissioner
Janice D. Hodge, Director, CZM
Julita de Leon, Legal Counsel
file
A. James Casner

EXHIBIT C

COASTAL ZONE PERMIT NO. CZT-53-85SL
(Renewal of SLP No. 31; 216 and CZT-137-81W)

1. AUTHORITY. This permit issued by the Department of Conservation and Cultural Affairs of the Government of the Virgin Islands (hereinafter "The Department") on behalf of the Coastal Zone Management Commission pursuant to Title 12, Chapter 21, Virgin Islands Code. As herein, "Permitter" is the Government of the Virgin Islands and "Permittee" is the Lagoon Marina, Inc. This permit supersedes Submerged Lands Permits, SLP No. 31 and 216, and CZT-137-81W.

2. SCOPE. This Permit is for the renewal of Submerged Land Permits No. 31 and 216 to conform with the rules and regulations of Act 4248, and to combine CZT-137-81W hereto. The Permittee is allowed to use, occupy and maintain the existing marine facilities located on and seaward of Plots No. 18-8, 18-8-1 and 18-8-1, Estate Smith Bay, No. 1, 2 & 3 East End Quarter, St. Thomas, Virgin Islands. Said facilities consist of eight (8) piers of various lengths five (5) of which have finger piers attached; a boardwalk interconnecting dock A to B, and C to D; all with mooring piles; and a boat ramp. Structures are attached to an unnumbered parcel of filled submerged lands 0.27 U.S. Acr The above, being described in Exhibit A & B are attached hereto and made a part hereof.

3. TERM. This permit is effective upon its approval by the Commissioner of the Department of Conservation and Cultural Affairs, the Governor, and ratification by the Legislature of the Virgin Islands or by the Committee on Conservation, Recreation and Cultural Affairs if the Legislature is not in session pursuant to Title 12, Chapter 21, Virgin Islands Code. No construction is authorized by the combining of SLP #31, 216 and CZT-137-81W herein.

This permit shall expire Fifteen (15) years after its effective date, subject to renewal pursuant to Title 12, Chapter 21, Section 911 Part (a), of the Virgin Islands Code.

4. DOCUMENTS INCORPORATED BY REFERENCE.

Exhibit A - Sketch describing piers and submerged lands.

Exhibit B - 1. Submerged Lands Permit No. 31.
2. Submerged Lands Permit No. 216
3. CZT-137-81W

Exhibit C - Title Survey Drawing No. 1358-8, dated certified 3/5/85.

NOV 25 11 11 AM '85

5. GENERAL CONDITIONS

- (a) Liability. The Permittee agrees to assume full and complete responsibility for all liability to any person or persons, including employees, as a result of its control of the area described in Paragraph 2 of this permit, and all improvements thereon (which area and improvements are hereinafter referred to as "the premises"), and to hold the Permitter free and harmless from civil or other liability of any kind during the time the Permittee is in control of the premises pursuant to this permit.
- (b) Personal Property and Damage. All personal property of any kind or description whatsoever located on the premises shall be there at the Permittee's sole risk.
- (c) Assigned or Transfer. This permit may not be transferred or assigned except as provided in Section 910-15 of the Regulations of the Coastal Zone Management Act.
- (d) Permit to be Displayed. A placard evidencing the permit shall be posted in a conspicuous place at the project site during the entire period of work.
- (e) Reliance on Information and Data. The Permittee affirms that the information and data which it provided in connection with its permit application is true and accurate, and acknowledges that if subsequent to the effective date of this permit such information and data prove to be false or inaccurate, the permit may be modified, suspended or revoked in whole or in part, and that the Commissioner or the Committee may, in addition, institute appropriate legal action.
- (f) Development to be Commenced. Any and all development approved by this Coastal Zone Permit shall be commenced within twelve (12) months from the date this permit becomes effective. Failure to perform substantial work within such period and thereafter until the completion of construction, shall cause the permit to lapse and render it null and void unless extension is granted by the Committee.
- (g) Notification of Completion. Upon completion of any activity authorized or required by this Coastal Zone Permit, the Permittee shall promptly so notify the Director of the Division of Coastal Zone Management ("The Director") and, where the services of a professional engineer were required in undertaking the activity, a certification of compliance provided by the project engineer that the plans and specifications of the project and all applicable Virgin Islands Code requirements have been met, shall be filed with the Director.

5. GENERAL CONDITIONS.

- (h) Inspection. The Commission, its Committee, the Commissioner or their authorized agents or representatives shall have the power to enter at reasonable times upon any lands or waters in the coastal zone for which this Coastal Zone Permit has been issued. The Permittee shall permit such entry for the purpose of inspecting and ascertaining compliance with the terms and conditions of said Coastal Zone Permit. The Permittee shall provide access to such records as the Commission, its Committee, or the Commissioner in the performance of its or his duties under the Act may require the Permittee to maintain. Such records may be examined and copies shall be submitted to the Commission, its Committee or the Commissioner upon request.
- (i) Conditions of premises. The development authorized by this permit shall be maintained in a safe, attractive and satisfactory condition and in accordance with the description, plans or drawings approved by the Committee.
- (j) Public Access to Shoreline. The development shall be operated so as to assure optimum public access to the shoreline.
- (k) Restoration of Area. The Permittee, upon revocation or expiration of the permit, shall upon order of the Committee or the Commissioner, and in their sole discretion, remove all structures authorized by the permit and restore the area to its original condition, and/or modify structures, and/or comply with any directive of the Committee or the Commissioner in satisfying the original permit condition in such time and manner as the Committee, or the Commissioner may direct.
- (l) Notices. All notices sent or required to be sent hereunder must be by certified mail, return receipt requested. If addressed to the Permitter same shall be sent to the Commissioner of Conservation and Cultural Affairs, Government of the Virgin Islands, Post Office Box 4399, St. Thomas, U.S. Virgin Islands 00801 or to such other place as the Permitter may hereinafter designate by certified mail. If addressed to the Permittee, same shall be sent to Lagoon Marina, Inc. Red Hook, St. Thomas, V.I. 00802, or to such other place as the Permittee may hereinafter designate by certified mail, return receipt requested.
- (m) Nonwaiver. One or more waivers by the Permitter of any covenant or condition of this permit shall not be construed as a waiver of a further breach of the covenant or condition, and the consent or approval of the Permitter to or of any acts by the Permittee requiring the Permitter's consent or approval shall not be construed as approval of any subsequent similar act by the Permittee.
- (n) Revocation. It is specifically understood that all the foregoing covenants and agreements, as well as other terms and special conditions hereby agreed to by Permittee, are to be well and faithfully kept by Permittee and that any failure by Permittee to keep same will result in revocation of this permit.

5. GENERAL CONDITIONS.

- (o) Other Approval. If the development covered under this permit requires separate and distinct approval from the United States Government or any agency, department, commission or bureau thereof, then no development is allowed under this permit until such permits or approvals have been obtained.
- (p) Abandonment. If the Permittee abandons, deserts or vacates the premises or discontinues its operations at the premises for a period totalling six (6) consecutive months, then the permit will terminate automatically and be rendered null and void.
- (q) Damage and Repair of Premises Described in Paragraph 2.
 - (i) In the event of damage to or destruction of the premises described in Paragraph 2 hereof, repair work may be done only after a request to do so has been submitted in writing to the Department, and permission in writing has been granted. Repair must duplicate the original work, and must be accordance with applicable law, rules and regulations.
 - (ii) General maintenance or repair resulting from normal wear and tear of operations may be carried out as a matter of right under this permit, but must be limited to the non-structural portion of the premises.

6. SPECIAL CONDITIONS.

- (a) No new buildings or structures are permitted under this permit.
- (b) An oil spill contingency plan is to be filed with the Director, within three (3) of approval of this permit.
- (c) The boats which have toilet facilities or generate waste shall be equipped with holding tanks from which waste can be pumped ashore.
- (d) The Permittee shall survey and record any and all filled submerged land as such with the Department of Public Works, and furnish the Department with a copy of said drawings.
- (e) The Permittee shall apply to the Department for a Terminal Facility License in order to operate the fuel terminal facilities contained therein, in accordance with Title 12, Chapter 17, Section 706 of the V.I. Code.

COASTAL ZONE PERMIT NO. CZT-53-85SL

- (f) The use of boat propellers for channel clearance is strictly prohibited.
- (g) The cutting, destruction or disturbance of Red Mangroves (Rhizophora mangel) is prohibited.
- (h) No boat scrapings, waste, debris, petroleum products or other pollution matter shall be deposited in the waters, or on the shorelands, which could cause pollution of the waters. All such waste shall be disposed of in an environmentally acceptable manner.
- (i) Dinghy dock areas will be provided along the bulkhead or in the general vicinity of public use.
- (j) Public access to the fill area will be maintained.

7. FEES.

- (a) A fee of \$29,265.53 per year payable in advance shall be charged for the use and occupancy of the submerged land area occupied under this permit. Said fee is composed of the sum of \$6,150.00 for the structure occupying the submerged lands, \$17,907.73 for the mooring area around this structure and \$5,217.78 for the occupancy of 0.27± U.S. acres of filled submerged lands. This fee is assessed pursuant to Section 910-5 of the rules and regulation of the CZM Act.
- (b) In accordance with the provisions of SLP No. 216, Special Condition 5 (f), and CZT-137-81W, Fees 7 (a), a fee of \$2,407.40 per year, retroactive to April 14, 1978 pursuant to SLP No. 216, Fees 4 (a) shall be assessed. For calculation purposes, this retroactive fee shall terminate upon the approval date of this permit.
- (c) The first payment of the fees required in paragraph 7 (a) & (b) above shall become due and payable within thirty (30) days from the date when this permit is approved.
- (d) On each fifth anniversary of the effective date of this permit the rental fees established herein shall be renegotiated by the Permitter and the Permittee. Any increase in the amount of the rental fees shall be reasonable, but in any event shall not exceed twenty-five (25%) percent of the fee for the preceding five (5) year period.
- (e) All fees payable under this permit shall be paid to the Permitter regardless as to whether Permittee actually occupies or uses the submerged land described herein, provided, however that if the permit is modified to decrease/increase the submerged lands so occupied, then the fees shall also be decreased/increased consistent therewith.

3. IT IS EXPRESSLY UNDERSTOOD by the parties hereto that the title to all submerged or filled land which is altered or occupied on the basis of this permit is in the Government of the Virgin Islands, and the Permittee shall have no right or interest therein, of any kind whatsoever, other than such rights as are expressly set forth herein, and that this instrument is not a lease.

IN TESTIMONY WHEREOF, the parties herein have hereunto set their hands and seals on the days and years appearing herein below.

GOVERNMENT OF THE VIRGIN ISLANDS
Permitter

[Signature]
Commissioner, Dept. of Conservation & Cultural Affairs

1/24/86
Date

LAGOON MARINA, INC.

Permittee

[Signature] - Pres

1/25/86
Date

APPROVED

[Signature]
Governor of the Virgin Islands

1.29.86
Date

RATIFIED

Legislature of the Virgin Islands

President of the Legislature

Date

or if the Legislature is not in session Committee
on Conservation Recreation & Cultural Affairs

[Signature]
Chairman

2/11/86
Date

COASTAL ZONE PERMIT NO. CZT-53-855L

I, Claudette Smith, do hereby cer-

that I am the ^{Asst.} Secretary of the Lagoon Marina, Inc., a corpor-

duly licensed and/or registered to do business in the U.S. Virgin Islands, th-

William J. Clark who signed this permit is

President of said corporation th-

he was authorized by its Board of Directors to execute this permit in the nam-

of and in behalf of said corporation. I further certify that the making of t-

permit is within the scope of the corporation's powers.

[Signature]
Asst. Secretary

SWORN TO AND SUBSCRIBED before me

this 27th day of November 1986

[Signature]
Notary Public

MODIFICATION OF COASTAL ZONE PERMIT NO. CZT-53-85SL

WHEREAS, a Coastal Zone Permit CZT-53-85SL (Renewal of SLP No. 31; 216 and CZT-137-81W) was issued by the Government of the Virgin Islands, and ratified by the Legislature of the Virgin Islands on February 18, 1986; and

WHEREAS, a MEMORANDUM OF UNDERSTANDING dated April 21, 1993 was executed between the Government of the Virgin Islands, Department of Public Works and the Department of Planning and Natural Resources (on behalf of the Government of the Virgin Islands) and AMERICAN YACHT HARBOR ASSOCIATES, wherein the Government of the Virgin Islands agreed to accept 1,537 square feet of property owned by American Yacht Harbor Associates by appropriate deed to the Government of the Virgin Islands in exchange for a ten (10) year extension of the subject CZM Permit, CZT-53-85SL, all as more fully described therein; and

WHEREAS, the Governor of the Virgin Islands on March 24, 1993 approved the said MEMORANDUM OF UNDERSTANDING and the Legislature of the Virgin Islands, through its Committee on Planning and Environmental Protection, ratified the said MEMORANDUM OF UNDERSTANDING on April 21, 1993; and

WHEREAS, a WARRANTY DEED dated September 16, 1991 was duly executed and has been held in escrow pending finalization of this matter and has now been duly received for recording by the Government of the Virgin Islands.

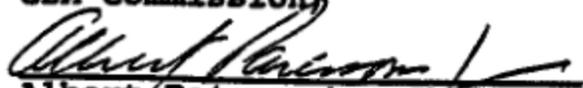
NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties to the MEMORANDUM OF UNDERSTANDING as set forth therein, THE ST. THOMAS COASTAL ZONE MANAGEMENT COMMITTEE, having met and having duly considered this matter fully, and having further duly voted on this matter on October 7, 1993, and having duly recorded such vote,

IT IS HEREBY THE ORDER OF THE ST. THOMAS COASTAL ZONE MANAGEMENT COMMITTEE, that CZT-53-85SL be, and the same is hereby, extended from February 17, 2001 to February 17, 2011.

Except as hereby modified, all other terms and provisions of said CZT-53-85SL remain in full force and effect.

DATED: October 12, 1993

ST. THOMAS COASTAL ZONE
MANAGEMENT COMMITTEE (of the
CZM Commission)


Albert Palewonsky, Chairman



GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES

DEPARTMENT OF PLANNING AND NATURAL RESOURCES

Division of Coastal Zone Management
Cyril E. King Airport, Terminal Building Second Floor
St. Thomas, Virgin Islands 00802

Fax: [REDACTED]

Tel: [REDACTED]

December 4, 2000

Mr. John Powers
Senior Vice President
MOF VI Limited Partnership
No. 6142 Campbell Road, Suite 2000
Dallas, TX, 7524875

RE: Request for Modification of Coastal Zone Management (CZM) Major Permit
Nos. CZT-4-99W & CZT-53-85SL: MOF VI LIMITED PARTNERSHIP

Dear Mr. Powers::

On December 4, 2000, the St. Thomas Committee of the V.I. CZM Commission met to act on your request for modification of CZM Permit Nos. CZT-4-99W & CZT-53-85SL.

The proposed modifications consist of the following:

CZT-4-99W:

Section 2. "SCOPE" delete in its entirety and insert the following, "This permit approves the use and occupancy of filled lands consisting of .641 acres or 27,921.96 square feet, located at Parcel No. 18-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

Section 3. "TERM", after the last sentence in this section, the following language shall be inserted, "For financing purposes, this permit shall be deemed to be a lease of Parcel No. 18-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

Section 7 (a). FEES, delete in its entirety and insert the following language, "An annual fee of thirty-one thousand, five hundred and twenty two dollars, and twenty two cents (\$31,522.22) per year was negotiated. Said annual fee is for the use and occupancy of .641 acres of filled lands located at Parcel No. 18-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

CZT-53-85SL:

Section 2 SCOPE, delete in its entirety and insert the following language, "This permit approves the use and occupancy of five docks, of which three are "T" shaped docks, twenty-eight (28) finger piers, a ten (10) foot wide boardwalk connecting the docks and a rock armor wall that runs parallel to the boardwalk on its landward side. The total square foot area of the structures occupying the submerged land is approximately 11, 194 square feet. This permit also approves the use and occupancy of approximately 130,000 square feet of submerge area surrounding the structures that are listed above. This development is located seaward of Parcel No. 18-W, Estate Smith Bay, No. 1, 2, & 3, East End Quarter, St. Thomas, U.S. Virgin Islands."

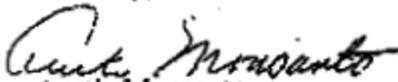
Section 7(a) FEES, delete in its entirety and insert the following language, "An annual fee of thirty thousand , fifty nine dollars, and sixty-nine cents (\$30,059.69) per year shall be charged for the use and occupancy of the submerged land area occupied under this permit. Said fee is composed of the

sum of six thousand, one hundred and fifty dollars (\$6,150.00) for the structures occupying submerged lands, seventeen thousand, nine hundred and seven dollars, and seventy three cents (\$17,907.73) for the use of the mooring area around the structures, and a 25% increase pursuant to Section 7(d) of CZT-53-85SL."

It was determined that the proposed modification does not change the nature, scope or characteristics of your approved Major CZM Permit Nos. CZT-4-99(W) & CZT-53-85SL. Therefore, your request for the modification, as described above, is hereby Approved.

If you have any questions or concerns, please feel free to contact Ms. Janice D. Hodge, Director of CZM at [REDACTED]

Sincerely,


Austin Monsanto

Acting Chairman, St. Thomas CZM Committee

cc: Dean C. Plaskett, Esq., Commissioner
Janice D. Hodge, Director, CZM
Julita de Leon, Legal Counsel
file
A. James Casner

EXHIBIT B

MAJOR COASTAL ZONE PERMIT NO. CZT-81-87L

1. AUTHORITY. This permit is issued by the Department of Planning and Natural Resources of the Government of the Virgin Islands (hereinafter "The Department") on behalf of the Coastal Zone Management Commission pursuant to Title 12, Chapter 21, Virgin Islands Code. As herein, "Permittor" is the Government of the Virgin Islands and "Permittee" is American Yacht Harbor Associates

2. SCOPE. This permit allows the Permittee to demolish twelve (12) of the existing 14 builds, renovation of the two (2) remaining structures and the construction of four (4) new structures. The existing gas station will be relocated. One hundred fifty nine (159) parking spaces will be provided. This facility will be located at Parcels No. 18A-1, 18B, 18B-1 Estate Smith Bay, St. Thomas, Virgin Islands.

3. TERM. This permit is effective upon its signing by the Chairman of the Committee of the Coastal Zone Management Commission, pursuant to V. I. Code, Title 12, Chapter 21. Authorization for construction under this permit shall expire if the Permittee fails to commence work within twelve (12) months from the date this permit becomes effective.

4. DOCUMENTS INCORPORATED BY REFERENCE.

Exhibit A - Letter of application to the Commissioner, dated March 29, 1987.

Exhibit B - CZM permit application, dated March 29, 1987.

Exhibit C - Major Environmental Assessment Report.

Exhibit D - Public Works Department Map No. A9-44-165.

Exhibit E - Project drawings.

5. GENERAL CONDITIONS.

(a) Liability. The Permittee agrees to assume full and complete responsibility for all liability to any person or persons, including employees, as a result of its control of the area described in paragraph 2 of this permit, and all improvements thereon (which area and improvements are hereinafter referred to as "the premises"), and to hold the Permittor free and harmless for civil or other liability to any kind during the time the Permittee is in control of the premises pursuant to this permit.

5. GENERAL CONDITIONS ([REDACTED]).

- (b) Personal Property and Damage. All personal property of any kind or description whatsoever located on the premises shall be there at the Permittee's sole risk.
- (c) Assigned or Transfer. This permit may be transferred or assigned as provided in Section 910-15 of the Regulations of the Coastal Zone Management Act.
- (d) Permit to be Displayed. A placard evidencing the permit shall be posted in a conspicuous place at the project site during the entire period of work.
- (e) Reliance on information and Data. The Permittee affirms that the information and data which it provided in connection with its permit application is true and accurate, and acknowledges that if subsequent to the effective date of this permit such information and data proves to be false or inaccurate, the permit may be modified, suspended or revoked in whole or in part, and that the Commissioner or the Committee may, in addition, institute appropriate legal action.
- (f) Development to be Commenced. Any and all development approved by this Coastal Zone Permit shall be commenced within twelve (12) months from the date this permit becomes effective. Failure to perform substantial work within such period or thereafter until the completion of construction shall cause the permit to lapse and render it null and void unless an extension is granted by the Committee.
- (g) Notification of Completion. Upon completion of any activity authorized or required by this Coastal Zone Permit, the Permittee shall promptly so notify the District Director of the Division of Permits Office of Coastal Zone Management ("The Director") and, where the services of a professional engineer where required in undertaking the activity, a certification of compliance provided by the project and all applicable Virgin Islands Code required have been met, shall be filed with the Director.

5. GENERAL CONDITIONS ([REDACTED]).

- (h) Inspection. The Commission, its Committee, the Commissioner or their authorized agents or representatives shall have the power to enter at reasonable times during project working hours upon any lands or waters in the coastal zone for which this Coastal Zone Permit has been issued. The Permittee shall permit such entry for the purpose of inspection and ascertaining compliance with the terms and conditions of said Coastal Zone Permit. The Permittee shall provide access to such records as the Commission, its Committee, or the Commissioner in the performance of its or his duties under the Act may require the Permittee to maintain. Such records may be examined and copies shall be submitted to the Commission, its Committee or the Commissioner upon request.
- (i) Conditions of Premises. The development authorized by this permit shall be maintained in a safe, attractive and satisfactory condition and in accordance with the description, plans or drawings approved by the Committee.
- (j) Public Access to Shoreline. To be consistent with Section 910-10(9) of Title 12, V. I. Code, Chapter 21 Rules and Regulations, the development shall not be operated so as to unreasonably restrict public access to any recreational areas of the shoreline.
- (k) Restoration of Area. The Permittee, upon revocation or expiration of the permit, shall upon order of the Committee or the Commissioner, and in their sole discretion, remove all structures authorized by the permit and restore the area to its original condition, and/or modify such structures, and/or comply with any directive of the Committee or the Commissioner in satisfying the original permit condition in such time and manner as the Committee, or the Commissioner may direct.
- (l) Notices. All notices sent or required to be sent hereunder must be certified mail, return receipt requested. If addressed to the Permitter, same shall be sent to the Commissioner of Department of Planning and Natural Resources, 179 Altona and Welgunst, St. Thomas, V. I. Virgin Islands 00801

5. GENERAL CONDITIONS (██████████).

or to such other place as the Permittor, may hereinafter designate by certified mail. If addressed to the Permittee, same shall be sent to American Yacht Harbor Associates, ██████████, Box 11550, St. Thomas, V.I. 00801 or to such other place as the Permittee may hereinafter designate by certified mail, return receipt receipt requested.

- (m) Nonwaiver. One or more waivers by the Permittor of any covenant or condition of this permit shall not be construed as a waiver of a further breach of the covenant or condition, and the consent or approval of the Permittor to or of any acts by the Permittee requiring the Permittor's consent or approval shall not be construed as approval of any subsequent similar act by the Permittee.
- (n) Revocation. It is specifically understood that all the foregoing covenants and agreements, as well as other terms and special conditions hereby agreed to by Permittee and that any failure by Permittee to keep same will result in revocation of this permit.
- (o) Other Approval. If the development covered under this permit requires separate and distinct approval from the United States Government or any agency, department, commission or bureau thereof, then no development is allowed under this permit until such permits or approvals have been obtained.
- (p) Abandonment. If the Permittee abandons, deserts or vacates the premises for a period totalling six (6) consecutive months without written notification to the Director and receipt acknowledged, then the permit will terminate automatically and be rendered null and void.

6. SPECIAL CONDITIONS.

- (a) All necessary federal and territorial permits shall be obtained prior to construction, unless otherwise noted.
- (b) Three (3) complete sets of drawings shall be submitted to Division of Permits - Office of Coastal Zone Management (DP-OCZM) for review and

6. SPECIAL CONDITIONS ([REDACTED]).

- approval prior to commencement of construction.
- (c) Filling will be allowed in accordance with the revised site plan dated August 21, 1987.
 - (d) Building A will be constructed as per the revised site plan dated August 21, 1987, and all new businesses housed therein shall be marine-oriented.
 - (e) The proposed observation tower is to be disallowed until plans are presented to DP-OCZM which demonstrate compliance with the height restrictions in the W-1 zone.
 - (f) Other qualifications being equal, Virgin Islands residents as of the date of permit approval shall be given preference when positions become available during the building, preparation and operation of the project. Additionally, an affirmative action officer shall be appointed the responsibility for preparation and monitoring of an annual affirmative action plan.
 - (g) A specific landscape plan for the entire project shall be submitted to DP-OCZM for approval prior to construction.
 - (h) Before construction or development commences, the Permittee shall deposit in escrow with the Department of Planning and Natural Resources, Division of Permits, the amount of \$6,500 per annum to be held for the duration of the project from signing of this permit. These funds will be disbursed by the Commissioner for the purpose of monitoring the construction and development of this approved project. Any amount which remains in the escrow account at the end of the project shall be returned to the Permittee no later than ten (10) days after invoicing.
 - (i) A plan shall be submitted prior to commencement of construction showing the number of access and egress points from Route 32 with minimal turning movements conflicts. This plan must be approved by the Department of Public Works.

6. SPECIAL CONDITIONS ([REDACTED]).

- (j) DP-OCZM must be notified and properly acknowledged response documented by at least three (3) working days prior to commencement of construction activities and upon completion of the development.
- (k) An alternative erosion and sedimentation control plan shall be submitted to be approved by DP-OCZM prior to the initiation of construction. All erosion control devices installed shall be properly maintained for effectiveness until the development is completed.
- (l) Any mangrove to be cut will be authorized and supervised by the DP-OCZM staff.
- (m) Permittee shall comply with Coast Guard regulations regarding the use of holding tanks.
- (n) Permittee must submit a letter from the Department of Public Works to DP-OCZM staff authorizing the Permittee to hook-up their sewage system to the public sewage system.
- (o) The Permittee shall obtain the required permits from the Division of Environmental Protection for the installation and operation of the electrical generator, and shall submit a revised site plan showing the location of the generators prior to issuance of occupancy permit.
- (p) The Permittee shall provide 159 parking spaces before occupancy of the new facility occurs.
- (q) The owners and/or managers of this project, including those responsible for its future operations shall cooperate with the V.I. Department of Education, University of the Virgin Islands and other agencies and instrumentalities in their training programs for the hospitality industry, and other operational aspects of the industry.
- (r) The Permittee shall obtain from the Department of Public Works a driveway permit.
- (s) The Permittee shall have an engineer and/or

5. SPECIAL CONDITIONS ([REDACTED]).

architect registered in the U. S. Virgin Islands, to provide the regulatory flood evaluation data pursuant to Title 29, V.I. Code, Chapter 5, Section 294 (b)(4)-3 and the structures designed accordingly.

- (t) The Permittee shall obtain the required permits from the Division of Environmental Protection for the installation and operation of a reverse osmosis desalination plant prior to issuance of occupancy permit.
- (u) A specific landscape plan for the entire project shall be submitted to the DCZM for approval prior to commencement of construction.
- (v) A relocation plan for the existing businesses at the project site shall be submitted to Division of Permits prior to commencement of construction.
- (w) During the operation of this facility, space shall be provided for any emergency vessel requiring temporary berthing.
- (x) A permit to construct a sidewalk from the western boundary of the Ivanna Eudora Kean High School to the eastern boundary of the project site shall be obtained prior to commencement of construction of this project.
- (y) For the duration of this permit and any subsequent government leases which may supercede this permit, only marine-related businesses shall be allowed to operate on the site of this development. Prior to the issuance of a certificate of occupancy, Permittee shall submit a list of prospective tenants to the St. Thomas CZM Committee for review and approval.
- (z) To ensure the opportunity for the established businesses at the development site to continue their business operations, any persons or entities operating under a lease or occupancy agreement will be given the right of first refusal to available space in the new buildings and structures.

5. SPECIAL CONDITIONS ([REDACTED]).

- (aa) The location of filled submerged lands and building A will conform to the siting and location as indicated on the revised site plan dated August 21, 1987, which is an appendix to this permit.
- (bb) All dredge spoils transported from the development site will be transported in sealed, watertight tank trucks.
- (cc) An economic impact assessment shall be submitted to the DP-OCZM staff for approval prior to commencement of construction.
- (dd) The dinghy dock shall maintain its present dimensions, and no restaurant be allowed thereon.
- (ee) Fire fighting equipment appropriate for the docking facilities shall be made available at the dock at all times. Permittee shall consult with the Virgin Islands Fire Department to ascertain the necessary requirements. The Office of Coastal Zone Management shall be furnished an approved copy of the requirements prior to commencement of construction.
- (ff) The developer shall submit to DP-OCZM a detailed plan of the areas subjected to a 100 year frequency storm--both tidal and inland (rain induced) prior to construction. Account shall be taken of the wave effect for flooding. The plan shall show both flooding elevations and probable energy impacts due to wave action.
- (gg) In addition, special conditions B through J, of Permit No. T-137-81W, granted to Lagoon Marina Incorporated on September 9, 1987, shall remained in effect except where in conflict with this permit.

IN TESTIMONY WHEREOF, the parties herein have hereunto set their hands and seals on the days and years appearing herein below.

GOVERNMENT OF THE VIRGIN ISLANDS, Permittor

By: Albert Parsons 5-12-88
Chairman, St. Thomas Committee Date
Coastal Zone Management Commission

AMERICAN YACHT HARBOR ASSOCIATES
Permittee

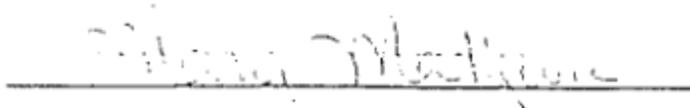
By: Carl Freyer 6P 3/20/88
Carl Freyer Date

I, Carl H. Freyer, do hereby certify that I am the General Partner of American Yacht Harbor Associates, a United States Virgin Island Limited Partnership duly licensed and/or registered to do business in the U.S. Virgin Islands, that Carl Freyer who signed this permit is General Partner of said limited partnership, that he is authorized by the Agreement of Limited Partnership to execute this permit in the name of and in behalf of said limited partnership. I further certify that the making of this permit is within the scope of the limited partnership's powers.



- Carl H. Freyer
General Partner

SWORN TO AND SUBSCRIBED before me
this 21st day of March,
19 88.



Notary Public My Commission Expires Mar. 31, 1993

ADDENDUM G
LEGAL DESCRIPTION

EXHIBIT D

PROPERTY DESCRIPTION

Parcel No. 18A-1 Remainder Estate Smith Bay
Nos. 1, 2 and 3 East End Quarter
St. Thomas, U.S. Virgin Islands
as shown on O.L.G. Drawing No. D9-5196-T91
dated February 19, 1991,
consisting of 0.22 acre, more or less,

Parcel No. 18B-1 Remainder Estate Smith Bay
Nos. 1, 2 and 3 East End Quarter
St. Thomas, U.S. Virgin Islands
as shown on O.L.G. Drawing No. D9-5196-T91
dated February 19, 1991,
consisting of 0.48 acre, more or less,

Parcel No. 18B Remainder Estate Smith Bay
Nos. 1, 2 and 3 East End Quarter
St. Thomas, U.S. Virgin Islands
as shown on O.L.G. Drawing No. D9-5196-T91
dated February 19, 1991,
consisting of 1.42 acres, more or less

Doc# 2007000533
Pages 43
01/19/2007 3:07PM
Official Records of
ST THOMAS/ST JOHN
WILMA O. HART SMITH
RECORDER OF DEEDS
Fees \$85.00

Doc# 2007000533

ADDENDUM H
ENGAGEMENT LETTER

VALUATION & ADVISORY SERVICES



CB Richard Ellis, Inc.
777 Brickell Avenue, Suite 910
Miami, Florida 33131

T ██████████
F ██████████

James E. Agner, MAI
Managing Director - Florida

June 11, 2007

Mark Lande
IGY-AYH ST. THOMAS HOLDINGS, LLC
717 Fifth Avenue - 18th Floor
New York, NY 10022
Phone: ██████████
Fax: ██████████

07-3960R-0510

Buddy Urban

And

Cassandra P. Webster-Hodge
BANCO POPULAR VIRGIN ISLANDS
██████████ Box 8580
St. Thomas, VI 00801
Phone: 8+44+2716 / 340.693.2716
Fax: 8+44+2716 / 340.693.2794

RE: Appraisal Agreement
American Yacht Harbor & Marina
6100 Red Hook Quarters #2
St. Thomas, USVI 00802

Dear Mr. Lande & Ms. Webster-Hodge:

We are pleased to submit this proposal and our Terms and Conditions for the appraisal of the referenced real estate.

PROPOSAL SPECIFICATIONS

Purpose:	To estimate the Market Value of the referenced real estate
Premise:	As Is, and As Stabilized
Rights Appraised:	Leased Fee
Intended Use:	Internal Decision Making purposes
Scope of Work	All applicable approaches
Report Type:	Self-Contained
Appraisal Standards:	Client Guidelines/USPAP/FIRREA
Fee:	\$30,000 plus travel expenses, to be paid by IGY-AYH St. Thomas, LLC
Retainer:	A retainer is Not Required for this assignment
Payment Terms:	Final payment is due and payable upon delivery of the final report or within thirty (30) days of your receipt of our draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of our draft report.
Report Copies:	One (1) PDF draft copy and Three (3) bound final copies

Mark Lande
Appraisal Agreement
Page 2 of 7
June 11, 2007

Delivery Date: Delivery of the appraisal conclusions and/or report(s) will be completed according to the following Delivery Schedule.

Delivery Schedule:

Preliminary Value: Not Required

Draft Report: Between June 31 and July 6, 2007

Final Report: 7 days after final review and authorization to deliver final reports

Start Date: The appraisal process will start upon receipt of your signed agreement and the property specific data.

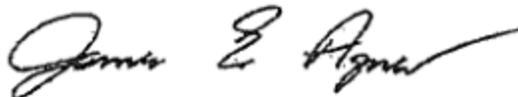
Acceptance Date: These specifications are subject to modification if this proposal is not accepted within 3 business days from the date of this letter.

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this agreement as though set forth in full herein.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

CB RICHARD ELLIS, INC.
Valuation & Advisory Services



James E. Agner, MAI
Managing Director – Florida
St. Cert. Gen. REA RZ382

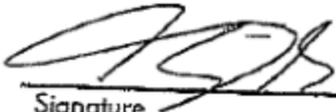
Phone: ██████████
Fax: ██████████
E-mail: ██████████



Mark Lande
Appraisal Agreement
Page 3 of 6
June 11, 2007

AGREED AND ACCEPTED

FOR IGY-AYH ST. THOMAS HOLDINGS, LLC:

	_____	_____	6/11/07
Signature		Date	
Charles Garner	_____	Pres	_____
Name		Title	
212 705-5000	_____	212 705-5001	_____
Phone Number		Fax Number	
Charles cgarner@islecorp.com	_____		
E-Mail Address			



Mark Lande
Appraisal Agreement
Page 4 of 7
June 11, 2007

AGREED AND ACCEPTED

BANCO POPULAR VIRGIN ISLANDS:

Cassandra P. Webster-Hodge

Signature

JUNE 21, 2007

Date

CASSANDRA P. WEBSTER-HODGE

Name

ASSISTANT VICE PRESIDENT

Title

340-693-2716

Phone Number

340-693-2794

Fax Number

Cwebster-Hodge@bppi.com

E-Mail Address



ADDENDUM I
QUALIFICATIONS

QUALIFICATIONS OF
CLAUDE R. "BUDDY" URBAN, MAI
Senior Real Estate Analyst/Multi-family Specialist

CB Richard Ellis, Inc., Valuation and Advisory Services
777 Brickell Avenue, Suite 910
Miami, Florida 33131
[REDACTED]

EDUCATIONAL

Bachelor of Business Administration, Sam Houston State University, Huntsville, Texas

LICENSE(S)/CERTIFICATION(S)

Certified General Real Estate Appraiser: State of Florida (No. RZ 2815)
Certified General Real Estate Appraiser: State of Nevada (No. 04813)
Certified General Real Estate Appraiser: State of Texas (No. TX-1320516-G)
Licensed Real Estate Broker: State of Texas

PROFESSIONAL

Appraisal Institute

Designed Member (MAI), Certificate No. 9260

EMPLOYMENT EXPERIENCE

1984 to 1986	Associate Consultant/Appraiser, Michael J. Urban & Assoc., Inc. Houston, TX
1986 to 1992	Associate Consultant/Appraiser, Dominy, Ford & McPherson, Inc., Houston, TX
1992 to 1994	President and Principal Appraiser, Buddy R. Urban & Assoc., Houston, TX
1994 to 1998	President and Principal, NaturaLawn of America and Burnett Pipeline Co., Houston, TX
1998-2003	Associate Consultant/Appraiser, Gerald A. Teel, Inc., Houston, TX
2003-Present	CB Richard Ellis, Inc., Miami, FL

Professional experience has been in the fee preparation/review of real estate appraisals, feasibility studies, rent analyses and market studies of commercial and residential properties. Primary experience encompasses a wide variety of property types including office, retail, industrial, multifamily, hotel, medical office, restaurant, parking garage, car wash, low-income housing, bond financed multi-family, residential subdivision, master-planned business park, bank branch, special purpose, and single family.

Assignments completed in Florida, Louisiana, Mississippi, Nevada, New Mexico, Virgin Islands, Puerto Rico and Texas.

AC# 2890466

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

SEQ# L06101103083

DATE	BATCH NUMBER	LICENSE NBR
10/11/2006	068079080	RZ2815

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2008

URBAN, BUDDY R
777 BRICKELL AVENUE, SUITE 910
MIAMI FL 33131

JEB BUSH
GOVERNOR

DISPLAY AS REQUIRED BY LAW

SIMONE MARSTILLER
SECRETARY

QUALIFICATIONS OF

JAMES E. AGNER, MAI, SGA
Managing Director – Florida
Nat. Director - Net Lease Valuation Group
Nat. Director – Golf Valuation Group

CB Richard Ellis, Inc., Valuation and Advisory Services
777 Brickell Avenue, Suite 910
Miami, Florida 33131

EDUCATIONAL

BS, Marketing, Florida State University, Tallahassee, Florida - 1981
Real Estate Major, Florida Atlantic University - 1984
Appraisal Institute

Appraisal Institute Courses 1A and 1B. Attended numerous educational seminars sponsored by the Appraisal Institute including Standards of Professional Practice, Market and Feasibility Studies for Shopping Centers, USPAP Florida State Law, Public Safety and Property Values and Real Estate Valuation in the Appraisal Industry.

LICENSE(S)/CERTIFICATION(S)

Registered Real Estate Broker-Salesman; State of Florida (No. BL0404088)
Certified General Appraiser; State of Florida (No. RZ382)

PROFESSIONAL

Appraisal Institute
Designated Member (MAI), Certificate No. 7791
South Florida Caribbean Board of Directors (Past Director)
Society of Golf Appraisers – Designated Member (SGA) - 2005

Qualified Expert Witness
Circuit Courts - State of Florida
United States Bankruptcy Courts

EMPLOYMENT EXPERIENCE

Twenty-six years of Real Estate Appraisal and Consulting experience throughout the State of Florida and in the Caribbean.

1981 to 1984	Florida Dept. of Transportation	Ft. Lauderdale, FL
1984 to 1985	Raymond Kaiser Engineer	Ft. Lauderdale, FL
1985 to 1995	Quinlivan Appraisal & Consulting	South Miami, FL
4/95 to 10/95	Coastal Appraisal Services	Naples, FL
1995-Present	CB Richard Ellis, Inc. - Valuation and Advisory Services – Managing Director - Florida	Miami, FL

AC# 2930796

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

SEQ# L06103102986

DATE	BATCH NUMBER	LICENSE NBR
0/31/2006	068089957	RZ382

2007 CB Richard Ellis, Inc.
The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2008

AGNER, JAMES E
777 BRICKELL AVE #1000
MIAMI FL 33131

JEB BUSH
GOVERNOR

DISPLAY AS REQUIRED BY LAW

SIMONE MARSTILLER
SECRETARY