

IGY-AYH St. Thomas Holdings, LLC

(A Limited Liability Company)

Financial Statements

for the years ended December 31, 2014 and 2013

(With Independent Auditor's Report Thereon)

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Independent Auditor's Report

The Members

IGY-AYH St. Thomas Holdings, LLC
(A Limited Liability Company):

We have audited the accompanying financial statements of IGY-AYH St. Thomas Holdings, LLC (the "Company"), which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of operations, changes in members' equity, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IGY-AYH St. Thomas Holdings, LLC as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Scott and Company LLC

Columbia, South Carolina
March 4, 2015

IGY-AYH St. Thomas Holdings, LLC
(A Limited Liability Company)
Balance Sheets
as of December 31, 2014 and 2013

	2014	2013
Assets		
Current assets:		
Restricted cash	\$ 1,856,705	\$ 1,238,200
Accounts receivable, net of allowance of \$84,482 and \$219,592 in 2014 and 2013, respectively	216,059	249,770
Prepaid expenses and other current assets	257,469	264,412
Inventories	82,679	89,308
Total current assets	2,412,912	1,841,690
Land	1,847,000	1,847,000
Property and equipment, net	14,977,203	15,486,420
Deferred financing costs, net	85,153	117,097
Intangible assets, net	357,802	461,906
Deferred rent receivable	89,986	37,928
Total assets	\$ 19,770,056	\$ 19,792,041
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable	\$ 91,133	\$ 90,330
Accrued expenses	201,910	195,828
Customer deposits	277,410	385,510
Deferred revenue	3,299	—
Due to Parent	82,816	42,099
Current maturities of note payable	373,500	346,200
Total current liabilities	1,030,068	1,059,967
Note payable less current maturities	12,913,200	13,286,700
Asset retirement obligation	594,492	566,183
Total liabilities	14,537,760	14,912,850
Members' equity	5,232,296	4,879,191
Total liabilities and members' equity	\$ 19,770,056	\$ 19,792,041

The accompanying notes are an integral part of these financial statements.

IGY-AYH St. Thomas Holdings, LLC
(A Limited Liability Company)
Statements of Operations
for the years ended December 31, 2014 and 2013

	2014	2013
Revenues:		
Marina facilities	\$ 4,825,916	\$ 4,672,919
Upland facilities	2,784,901	2,734,440
Total revenues	7,610,817	7,407,359
Costs and expenses:		
Fuel	1,938,634	2,127,836
Utilities	1,230,878	1,213,413
Personnel	1,069,840	1,011,662
Depreciation and amortization	959,742	926,304
Management fee	410,051	548,220
Insurance	327,649	353,258
Professional fees	179,619	222,056
Gross receipt taxes	174,533	169,681
Rent	159,123	189,370
Credit card commissions	141,985	141,291
Repairs and maintenance	101,145	85,981
Bad debt expense	70,982	87,734
Supplies	52,236	53,077
Advertising and marketing	50,979	43,718
Other	41,354	208,176
Total costs and expenses	6,908,750	7,381,777
Operating income	702,067	25,582
Other expenses (income):		
Interest expense	352,386	367,053
Interest income	(35,368)	(12,301)
Amortization of deferred financing costs	31,944	31,944
Net income (loss)	\$ 353,105	\$ (361,114)

The accompanying notes are an integral part of these financial statements.

IGY-AYH St. Thomas Holdings, LLC
(A Limited Liability Company)
Statements of Changes in Members' Equity

Balance at December 31, 2012	\$ 5,240,305
Net loss	<u>(361,114)</u>
Balance at December 31, 2013	4,879,191
Net income	<u>353,105</u>
Balance at December 31, 2014	<u>\$ 5,232,296</u>

The accompanying notes are an integral part of these financial statements.

IGY-AYH St. Thomas Holdings, LLC
(A Limited Liability Company)
Statements of Cash Flows
for the years ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Net income (loss)	\$ 353,105	\$ (361,114)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization expense	959,742	926,304
Amortization of deferred financing costs	31,944	31,944
Accretion of asset retirement obligation	28,309	26,961
Decrease in provision for doubtful accounts	(135,110)	(94,816)
Changes in operating assets and liabilities:		
Accounts receivable	168,821	217,342
Prepaid expenses and other current assets	6,943	(85,944)
Inventories	6,629	19,601
Deferred rent receivable	(52,058)	105,234
Accounts payable	803	(80,086)
Accrued expenses	6,082	(98,932)
Customer deposits	(108,100)	13,535
Deferred revenue	3,299	—
Due to Parent	40,717	3,438
Net cash provided by operating activities	1,311,126	623,467
Cash flows used in investing activities:		
Purchases of property and equipment	(346,421)	(123,746)
Net cash used in investing activities	(346,421)	(123,746)
Cash flows used in financing activities:		
Principal payments on note payable	(346,200)	(321,150)
Net cash used in financing activities	(346,200)	(321,150)
Net increase in restricted cash	618,505	178,571
Restricted cash at beginning of year	1,238,200	1,059,629
Restricted cash at end of year	\$ 1,856,705	\$ 1,238,200
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 353,311	\$ 369,085

The accompanying notes are an integral part of these financial statements.

IGY-AYH St. Thomas Holdings, LLC
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Description of Business and Organization - IGY-AYH St. Thomas Holdings, LLC ("AYH" or the "Company") was formed as an indirect wholly owned subsidiary of Island Global Yachting Ltd. ("IGY" or the "Parent") on December 5, 2006. The Company had no activities until its January 18, 2007 acquisition of American Yacht Harbor. The Company is primarily engaged in the business of owning and operating a marina and commercial retail facility located in St. Thomas, United States Virgin Islands ("USVI"). It is comprised of a 109-slip marina and seven buildings with 47,344 square feet of rentable retail space. AYH is managed by IGY. The marina is located on 3.2 acres of submerged land leased from the St. Thomas Department of Planning and Natural Resources ("DPNR"). The retail complex is located on 2.12 acres of adjacent waterfront land.

On May 29, 2007, a 50% passive member interest in the Company was sold to an outside investor. The Company is controlled by the Parent and the members' liability is limited to their respective capital investments in the Company.

Restricted Cash - At various times throughout the year, the Company maintains cash balances in excess of federally insured limits. The Company's management believes it mitigates custodial risk by banking with major financial institutions. As of December 31, 2014 and 2013, \$1,856,705 and \$1,238,200, respectively, of the Company's cash is restricted under the terms of its loan agreement (See Note 5). These cash balances serve as collateral for the outstanding loan but are available to the Company for use in operations provided that no event of default exists under the loan agreement.

Accounts Receivable - Accounts receivable are recorded at the invoiced amount and do not bear interest. Amounts collected on accounts receivable are included in net cash flows from operating activities in the statements of cash flows. The allowance for doubtful accounts is management's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on specific account analysis. Past-due balances over 90 days and over specified amounts are reviewed individually for collectability. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance-sheet credit exposure related to its customers. As of December 31, 2014 and 2013, substantially all of the Company's accounts receivable serves as collateral for the loan outstanding.

Prepaid Expenses and Other Current Assets - Prepaid expenses and other current assets consist primarily of prepaid insurance and security deposits.

Inventories - Inventories, which consist primarily of fuel, are stated at the lower of cost or market. Cost is determined using the first-in, first-out ("FIFO") method for all inventories.

Deferred Financing Costs - Costs incurred to obtain financing are being amortized using the straight-line method, which approximates the effective-interest method, over the term of the related debt. Deferred financing costs at December 31, 2014 and 2013 of \$85,153 and \$117,097 are net of accumulated amortization of \$230,810 and \$198,866, respectively.

Advertising and Marketing Costs - Advertising and marketing costs are expensed as incurred. Advertising and marketing costs amounted to \$50,979 and \$43,718 for the years ended December 31, 2014 and 2013, respectively.

IGY-AYH St. Thomas Holdings, LLC
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Income Taxes - The Company is not subject to U.S. federal and state income taxes as the tax effects of the Company's activities are reported directly by the members on their respective income tax returns. The Company is required to pay USVI withholding taxes on behalf of all non-USVI members. Management of the Company has decided that Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") topic 740, *Income Taxes*, which relates to uncertain tax positions, does not have a material effect on the financial statements.

Land - The Company owns 2.12 acres of waterfront land in St. Thomas, USVI, which it carries at cost and leases 3.2 acres of submerged land from the DPNR.

Property and Equipment - Property and equipment are stated at cost. Depreciation on property and equipment is calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the Company's assets are as follows:

Buildings	40 years
Marina building and structure	20 years
Equipment	3-7 years
Vehicles	5 years
Furniture and fixtures	5-10 years

Intangible Assets - In accordance with the provisions of ASC subtopic 350-30, *General Intangibles Other Than Goodwill*, intangible assets determined to have a definite life are amortized using the straight-line method over the useful life. Costs incurred to renew or extend intangible assets are capitalized and amortized over the extended useful life.

Impairment of Long-Lived Assets - In accordance with ASC topic 360, *Property, Plant and Equipment*, long-lived assets, such as land, property and equipment, and intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the balance sheets and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. For the years ended December 31, 2014 and 2013, the Company determined that it did not have an impairment loss relating to its property and equipment.

Revenue Recognition - Revenues are recognized primarily at the time services are performed or products are sold and consist of amounts earned from marina and upland operations. Revenues from leases are recognized over the term of the lease. The Company recognizes minimum rental starting when possession is taken. When a lease contains a predetermined fixed escalation of the minimum rental, the Company recognizes the related rental income on a straight-line basis and records the difference between the recognized rent income and the amount billed and collectable under the lease as straight-line rent receivable. These amounts are classified as deferred rent receivable on the balance sheet. The Company is also required to pay a gross receipts tax on certain revenue producing activities. These taxes are presented in costs and expenses on the Statements of Operations while revenues are presented at a gross amount not reduced by these taxes.

IGY-AYH St. Thomas Holdings, LLC
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Deferred Revenue - The Company receives payment in advance of performing the services related to renting boat slips and dockage space. These amounts are shown on the balance sheets as deferred revenue and are recognized as revenue when the Company performs the services.

Customer Deposits - The Company receives deposits from its retail tenants in accordance with the lease agreements. It also receives deposits from customers for slip rentals. These deposits are accounted for as customer deposits in the balance sheet. Revenues related to these deposits are recognized when earned.

Major Maintenance Activities - The Company incurs maintenance costs on all its major property and equipment. Repair and maintenance costs are expensed as incurred.

Commitments and Contingencies - Liabilities for loss contingencies, including environmental remediation costs not within the scope of ASC topic 410, *Asset Retirement and Environmental Obligations*, arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Use of Estimates - The preparation of financial statements requires management of the Company to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the allowance for doubtful accounts and the carrying amount of land, property and equipment, intangible assets, and the liability for asset retirement obligation. Actual results could differ from those estimates.

Fair Value Measurements - ASC subtopic 820-10, *Fair Value Measurement*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC subtopic 820-10 also establishes a framework for measuring fair value and expands disclosures about fair value measurements. The Company applies the provisions of ASC subtopic 820-10 to fair value measurements of nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis. The Company currently has no assets or liabilities carried at fair value in the financial statements.

Recently Issued Accounting Standards – In May 2014, the FASB issued Accounting Standards Update (“ASU”) 2014-09, “Revenue from Contracts with Customers (Topic 606),” which can be implemented by nonpublic companies for fiscal periods beginning after December 15, 2016 at the earliest and for fiscal periods beginning after December 15, 2017 at the latest. The provisions of the ASU aim to remove inconsistencies and weaknesses in revenue requirements and improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets. This ASU will supersede the existing Topic 605, Revenue Recognition. The Company does not anticipate a material impact on its financial statements when this ASU is implemented.

IGY-AYH St. Thomas Holdings, LLC
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

In October 2012, the FASB issued ASU 2012-04, "Technical Corrections and Improvements," which is effective for nonpublic companies for fiscal periods beginning after December 15, 2013. However, provisions of this ASU that did not have transition guidance became effective immediately. The amendments in this ASU cover a wide range of topics in the FASB ASC and are categorized in two sections, "Technical Corrections and Improvements," and "Conforming Amendments Related to Fair Value Measurements." The first section created source literature amendments, clarified guidance and corrected references, and relocated guidance throughout the ASC. The second section conformed terminology and clarified guidance in various topics of the ASC to fully reflect the fair value measurement and disclosure requirements of ASC Topic 820. No new fair value measurements were introduced and the application of the requirements of ASC Topic 820 is not anticipated to change. The new guidance did not have a material impact on the Company's financial statements.

In July 2013, the FASB issued ASU 2013-11, "Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When Net Operating Loss Carryforward or Tax Credit Carryforward Exists, which is effective prospectively." This guidance provides that an entity's unrecognized tax benefit, or portion thereof, should be presented in its financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward unless 1) the deferred tax asset is not available at the reporting date to settle any additional income taxes that would result from the disallowance of a tax provision or 2) the tax law of the applicable jurisdiction does not require and the entity does not intend to use the deferred tax asset for such purpose. The guidance in ASU 2013-11 will become effective for the Company on January 1, 2015 and is not expected to have a material impact on the Company.

Reclassifications – Certain prior year amounts have been reclassified in accordance with current year presentation. As a result of these reclassifications, there was no effect on members' equity.

Note 2. Related-Party Transactions

The Company earns marina revenue from six slips leased by a passive member and its affiliates of the Company on an annual basis at a 10% discount and fuel sales to the passive member and its affiliates at a 20% discount. The Company also leases two office spaces totaling approximately 3,200 square feet to the passive member. The following is a summary of related-party transactions for the years ended December 31, 2014 and 2013:

	2014	2013
Included in revenues:		
Marina facilities revenue earned from passive member	\$ 152,820	\$ 148,393
Upland facilities revenue earned from passive member	139,451	151,975
Included in costs and expenses:		
Management fees incurred to IGY	410,051	548,220

Management fees incurred to IGY were 7.5% of revenues for the year ended December 31, 2013. During the year end December 31, 2014, management fees were renegotiated and reduced. Management fees incurred to IGY were 7.5% of revenues for the period January 1, 2014 through February 28, 2014 and were 5% of revenues for the period March 1, 2014 through December 31, 2014.

IGY-AYH St. Thomas Holdings, LLC
Notes to Financial Statements

Note 2. Related-Party Transactions (continued)

Due to Parent of \$82,816 and \$42,099 at December 31, 2014 and 2013, respectively, consist primarily of accrued management fees of \$52,233 and \$37,363 at December 31, 2014 and 2013. Included in accounts receivable are \$6,716 and \$6,611 due from the passive member as of December 31, 2014 and 2013, respectively.

The Company also pays lease commissions to IGY for new leases or extensions of existing leases. These commissions represent 5% of the expected total rent revenue under lease term. The Company paid approximately \$74,000 and \$0 during the years ended December 31, 2014 and 2013 for these commissions. Approximately \$21,500 was included in Due to Parent as of December 31, 2014 for these commissions. These fees are amortized over the term of each lease as a reduction of rental revenue.

Note 3. Intangible Assets

The following table presents certain information regarding the Company's intangible assets as of December 31,:

		2014			
		Amortization period	Gross carrying amount	Accumulated amortization	Net balance
Amortizable intangible assets:					
Business permit costs	10 years		\$ 20,390	\$ 6,599	\$ 13,791
Favorable fuel contract	11.3 years		1,156,000	811,989	344,011
Total			\$ 1,176,390	\$ 818,588	\$ 357,802
		2013			
		Amortization period	Gross carrying amount	Accumulated amortization	Net balance
Amortizable intangible assets:					
Business permit costs	10 years		\$ 20,390	\$ 4,525	\$ 15,865
Favorable fuel contract	11.3 years		1,156,000	709,959	446,041
Total			\$ 1,176,390	\$ 714,484	\$ 461,906

Amortization expense related to intangible assets was \$104,104 for the years ended December 31, 2014 and 2013. The estimated amortization expense for the next five years is approximately \$104,000 per year for three years and \$40,000 in the fourth year, and \$2,000 in the fifth year. Business permits will need to be renewed in approximately seven years.

IGY-AYH St. Thomas Holdings, LLC
Notes to Financial Statements

Note 4. Property and Equipment

Property and equipment consisted of the following at December 31,:

	2014	2013
Buildings	\$ 18,014,440	\$ 17,783,321
Marina structure and equipment	4,188,522	4,188,522
Other equipment	375,305	260,003
Total property and equipment	22,578,267	22,231,846
Accumulated depreciation	(7,601,064)	(6,745,426)
Property and equipment, net	\$ 14,977,203	\$ 15,486,420

Depreciation expense related to property and equipment was \$855,638 and \$822,201 for the years ended December 31, 2014 and 2013, respectively.

The Company leases commercial real estate, which is included in buildings in the schedule above, that had a gross book value of \$12,868,991 for the years ended December 31, 2014 and December 31, 2013, and accumulated depreciation of \$3,986,614 and \$3,537,224 at December 31, 2014 and 2013, respectively (see Note 6).

Note 5. Note Payable

The Company obtained a \$15,300,000 loan facility from a bank on August 23, 2007. Interest accrues at LIBOR plus 2.35%. Principal and interest are due monthly and the loan matures on September 1, 2017. At December 31, 2014 and 2013, the principal amount outstanding under the loan was \$13,286,700 and \$13,632,900, respectively. The interest rate in effect at December 31, 2014 was 2.58% (calculated based on a blended LIBOR rate of 0.23% plus 2.35%). The interest rate in effect at December 31, 2013 was 2.60% (calculated based on a blended LIBOR rate of .25% plus 2.35%).

The loan is collateralized by the real property and improvements thereon, the Company's rights under its retail leases, certain cash accounts, and accounts receivable of the Company. As part of a security agreement with the bank, the bank has required that certain cash accounts of the Company be pledged to the bank. This amount is shown as restricted cash on the balance sheets in the amount of \$1,856,705 and \$1,238,200 at December 31, 2014 and 2013, respectively. The terms of the loan contain certain financial covenants, negative covenants, and other terms and conditions customarily found in loan agreements of this type. The Company has complied with the covenants and terms in all material respects.

Future payments of the balance outstanding on December 31, 2014 are due as follows:

Year ending December 31,:	
2015	\$ 373,500
2016	405,000
2017	12,508,200
Total	\$ 13,286,700

IGY-AYH St. Thomas Holdings, LLC
Notes to Financial Statements

Note 6. Lease Agreements

Coastal Zone Management ("CZM") Permits - The Company is party to two CZM permits with the DPNR. These permits provide the Company the use of submerged land and upland at the marina site. The permits were negotiated with a fee of \$100,000 per year and a term of 20 years. The permits expire in 2032. The Company has the option to renew the permits within 90 days before the permits expire with the renewal terms subject to negotiation. Annual fees incurred under the permits during 2014 and 2013 totaled \$100,000 and \$84,970, respectively.

Retail Leases - The Company leases its upland building spaces to retail operations under operating leases. The leases have remaining terms of up to 3 years and contain standard renewal options. Base rentals are subject to escalation based upon scheduled rent increases within individual leases. The company recognized revenue related to these leases of approximately \$1,376,926 and \$1,324,400 for the years ended December 31, 2014 and 2013, respectively.

A schedule of approximate minimum future base rentals on noncancelable operating leases as of December 31, 2014 is as follows:

Year ending December 31,:		
2015	\$	882,704
2016		640,821
2017		448,667
2018		366,825
2019		217,960
Total	\$	<u>2,556,977</u>

The upland facilities revenues include charges to the tenants in addition to base lease payments under the lease agreements, such as utilities and common area charges. These additional charges account for the significant difference between lease related revenue and the amounts reported on the income statements.

Note 7. Asset Retirement Obligation

The CZM permits that provide the Company use of the submerged land and upland at the marina site require that, upon expiration, the permitted area be restored to its original condition. Upon acquisition of the assets of American Yacht Harbor in 2007, the Company recorded an obligation and corresponding asset of \$402,376, in accordance with the provisions of ASC topic 410, *Asset Retirement and Environmental Obligations*, for its obligation under these permits.

The obligation will increase with annual accretion expense and, ultimately, the obligation will reach approximately \$3.4 million in 2050. The following schedule summarizes the Company's asset retirement obligation activity for the years ended December 31,

	2014	2013
Balance at beginning of year	\$ 566,183	\$ 539,222
Accretion expense	28,309	26,961
Balance at end of year	<u>\$ 594,492</u>	<u>\$ 566,183</u>

IGY-AYH St. Thomas Holdings, LLC
Notes to Financial Statements

Note 8. Commitments

Retirement Plan - The Company sponsors a Simple IRA Plan ("SEP") on behalf of substantially all of its employees as required by the Economic Development Benefits package it was granted by the Economic Development Commission of the USVI. Employees are eligible for the program after one year of service. The Company contributes 3% of employees' gross wages into individual employee accounts and all amounts are immediately vested. Employees are not allowed to contribute to the SEP. The related expense for the years ended December 31, 2014 and 2013 was \$22,082 and \$21,078, respectively.

Fuel Purchase Contract - The Company is party to a fuel purchase agreement under which it has committed to buy its gasoline and diesel fuel from one vendor at a fixed differential above a common index. The Company is required to purchase a minimum of 65,000 gallons per month of diesel and gasoline combined. There is no limit to the quantity the Company can purchase. The agreement expires May 31, 2018 and the Company can renew for an additional three years, although either party can terminate any time after 2014. During 2014 and 2013, the Company purchased \$1,930,851 and \$2,107,833, respectively, of fuel under the agreement.

Note 9. Subsequent Events

The Company has evaluated all events subsequent to the balance sheet date of December 31, 2014, through the date these financial statements are available to be issued, March 4, 2015, in accordance with ASC subtopic 855-10. Management has determined that there are no subsequent events that require disclosure under ASC subtopic 855-10.