

\*\*\* CONFIDENTIAL \*\*\*

TERM SHEET  
FOR  
EQUITY INVESTMENT IN  
AMERICAN YACHT HARBOR, ST. THOMAS, USVI

February \_\_, 2007

This term sheet merely constitutes a statement of the present material intentions of the parties, and is not intended to be legally binding on any party hereto. A binding commitment with respect to a transaction between the parties will result only upon the execution of definitive documentation related thereto.

<b>Proposed Transaction:</b>	Jeffrey Epstein, either directly or through an affiliated entity (" <u>Epstein</u> "), would invest in IGY – AYH St. Thomas Holdings, LLC (" <u>IGY-AYH</u> "), a USVI limited liability company that acquired the properties constituting American Yacht Harbor in St. Thomas, USVI (the " <u>Property</u> "). IGY-AYH is an indirect, wholly owned subsidiary of Island Global Yachting Ltd. (" <u>IGY</u> "). The investment described herein is referred to as the "Proposed Transaction."
<b>Passive Interest:</b>	Epstein would acquire a 50% passive interest in IGY-AYH (the " <u>Equity Interest</u> ").
<b>Purchase Price:</b>	<p>At the closing of the Proposed Transaction, Epstein would pay \$12,961,784.78 in cash (the "<u>Purchase Price</u>") to IGY in exchange for the Equity Interest.</p> <p>The Purchase Price represents 50% of the \$25,923,569.56 paid by IGY-AYH to acquire the Property, including legal fees, due diligence expenses, a 1% acquisition fee payable to the general partner of IGY and related costs and expenses incurred in connection with the acquisition.</p> <p><i>Please note</i> – the exact Purchase Price will be determined at closing, subject to final reconciliation of all amounts incurred by IGY in the acquisition.</p>
<b>Managing Member:</b>	Island Global Yachting Facilities Ltd., a wholly owned subsidiary of IGY or its designee (the " <u>Managing Member</u> "), would be the sole managing member and retain control of IGY-AYH, including the right to appoint all officers and directors thereof. The Managing Member would make all day-to-day and other decisions regarding the Property, including the sale, encumbrance or refinancing thereof.
<b>Distributions:</b>	As and to the extent determined by the Managing Member in its sole discretion, 50% of available cash in IGY-AYH would be distributed to Epstein, subject to dilution and adjustment for any future capital contributions (as described below).

	<p>Available cash would be calculated after the payment of all expenses related to the property, third party debt service, fees payable to IGY (as described below) and reserves determined by the Managing Member in its sole discretion.</p>
<b>Debt:</b>	<p>IGY is in the process of seeking third party debt financing on the Property in an amount of up to \$15,000,000. Subject to lender approval, equity investments made by IGY and Epstein would be repaid 50/50, subject to dilution and adjustment if applicable prior to such financing being obtained.</p>
<b>Additional Contributions:</b>	<p>The Managing Member would have sole discretion to determine the timing and amount, if any, of future capital required by IGY-AYH. Epstein would have the right, but not the obligation, to contribute up to 50% (subject to dilution and adjustment as previously described) of any such contributions. Any failure to make such contributions would result in dilution of Epstein's Equity Interest on a pro rata basis.</p>
<b>Fees Payable to IGY:</b>	<p>Island Global Yachting Services Ltd. (a wholly owned subsidiary of IGY, "IGYS") would enter into one or more agreements with IGY-AYH to provide the following services:</p> <ul style="list-style-type: none"> <li>· Development Services – IGY would provide design, engineering and construction management of any redevelopment of the marina or upland parcels at the Property for a fee equal to not less than [5]% of total hard and soft costs (but not including loan financing costs);</li> <li>· Management Services - IGY would provide marina management services pursuant to a long term management contract for a fee equal to not less than [7.5]% of gross revenues generated by marina operations (plus standard performance bonus and employee overhead reimbursement amounts);</li> <li>· Brokerage Services - IGY would be the exclusive sales and marketing agent for the sale or long term lease (5 years or longer) of slips at the Marina in exchange for a fee equal to not less than [6]% of gross sales (which amount would be payable in respect to initial sales or re-sales); and</li> <li>· Retail Leasing Services - IGY would be the exclusive leasing agent with respect to all retail properties owned by IGY-AYH for a fee equal to not less than [4]% of gross rent charged over the term of the lease.</li> </ul> <p>All fees would be payable to IGY prior to cash distributions to the members.</p>
<b>Closing Conditions:</b>	<p>Closing of the Proposed Transaction would be subject to the</p>

execution of definitive documentation by IGY and Epstein.