

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
WILMER O. 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: (340) 714-9524

ASSIGNMENT

Tel.: (340) 774-3320

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

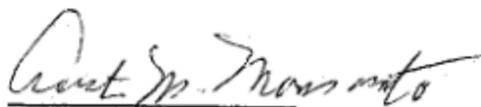
Permittee: MOF VI LIMITED PARTNERSHIP

- 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: 
Name: Marc W. Levy
Title: Duly Authorized Signatory

DATED: Dec. 13, 2006

Subscribed and sworn to
me this 13th 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:

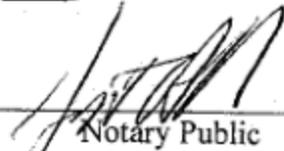
1. He is the President of American Yacht Harbor Corporation, the General Partner of MOF VI LIMITED PARTNERSHIP (the "Assignor"), and in such capacity is authorized to make this Affidavit.
2. As part of a transaction with IGY-AYH ST. THOMAS HOLDINGS, LLC (the "Assignee"), the Assignor will assign Coastal 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)

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 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) 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 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
Albert Paiewonsky, Chairman,
St. Thomas CZM Committee

4-27-00
Date

MOF VI LIMITED PARTNERSHIP
Permittee

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

4/17/00
Date

Charles W. Tomlinson
Governor of the Virgin Islands

APPROVED
2/11/00
Date

RATIFIED
Legislature of the Virgin Islands

President of the Legislature

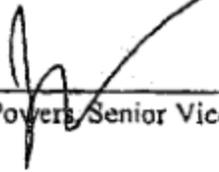
Date

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

Albert Paiewonsky
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.



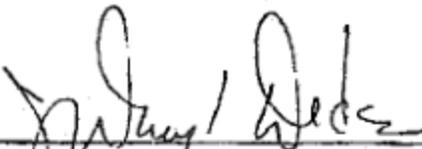
John Powers, Senior Vice President

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: (340) 775-5706

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 , ~~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 (340) 774-3320.

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)

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 the time the Permittee is in control of the premises.

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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 Natural Resources, 175 N. ...

5. GENERAL CONDITIONS (Cont'd).

- 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 division of [REDACTED]

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 ([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 building.

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 P. ...*
Chairman, St. Thomas Committee
Coastal Zone Management Commission

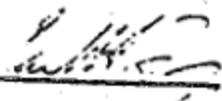
5-12-80
Date

AMERICAN YACHT HARBOR ASSOCIATES
Permittee

BY: *Carl M. Freyer*
Carl Freyer

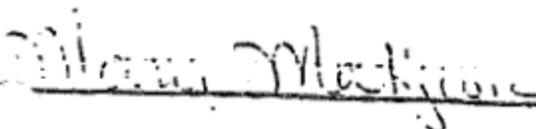
3/2/81
Date

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,
1981.



Notary Public

My Commission Expires Mar. 31, 1993

EXHIBIT C

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

COASTAL ZONE PERMIT NO. CZT-53-85SL
(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. 18-6, 18-8-1 and 18-1, 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. Acres. 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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COASTAL ZONE PERMIT NO. CZT-53-855L

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 Damages. 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 same will result in revocation.

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-53-65SL

- (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-137-81W, Fees 7 (a), a fee of \$2,407.40 per year, retroactive to April 14, 1978 pursuant to SLP No. 216, Fees 7 (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 preceding 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-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, that 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 1976

[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

2858(B)
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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.

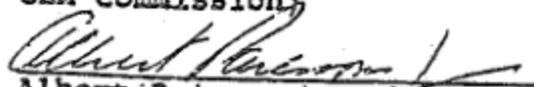
NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties to the MEMORANDUM OF UNDERSTANDING as set forth therein, THE ST. THOMAS COASTAL ZONE MANAGEMENT COMMITTEE, having met and having duly considered this matter fully, and having further duly voted on this matter on October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



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: (340) 775-5706

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 (340) 774-3320.

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