

**L.S.J., LLC  
6100 Red Hook Quarter  
Suite B-3  
St. Thomas, USVI 00802  
340-775-8100**

December \_\_, 2011

Mr. Bart Wolterman  
Virgin Islands Gunite Pools

Dear Mr. Wolterman

This is to confirm and constitute the agreement by and between Virgin Islands Gunite Pools ("VIGP") and L.S.J., LLC ("LSJ") regarding the installation of tile and related work to correct deficiencies in the existing pool on the main compound at Little St. James Island (the "Main Pool") and the completion of work to correct deficiencies in the pool at the Flagpole area located on Little St. James Island (the "Flagpole Pool"), both of which have previously been constructed by VIGP (collectively, the "Work"). With respect to the work, VIGP and LSJ have agreed as follows:

1. At no charge or cost to LSJ, VIGP will supply all labor, equipment and tools necessary for, and will complete, the installation of tile throughout the entire surface of the Main Pool in accordance with drawings and specifications approved in advance in writing by LSJ, including, without limitation, the following related work (said tile installation and related work are hereinafter referred to as the "Main Pool Work"):

- Saw cut below waterline tile
- Chip off all waterline tile
- Chip around all wall fittings, main drains, and below waterline tile
- Acid wash all existing Diamond Brite plaster
- Re-mud in all areas chipped out to level back up
- Thin set new tile to existing mortar work and Diamond Brite
- Grout all tile work
- Lightly acid wash all tile work for polishing
- Install new Grey main drains and wall fittings (to be supplied and paid for by VIGP)

- Fill pool.

2. In connection with the Main Pool Work, LSJ will provide at LSJ's cost the following materials:

- All tile to be installed in the Main Pool (3,000 sq. feet of tile selected by LSJ)
- 90 bags of 918 thin set
- 5 gallons of blue pigment
- 10 gallons of bonder
- 5 bags of Lime
- 12 bags of common cement
- Sand

3. VIGP shall complete all Main Pool Work within 20 days after the Main Pool is drained. VIGP shall complete all Main Pool Work in a professional and workmanlike manner consistent with the standards set forth in this Agreement and to the satisfaction of LSJ, in LSJ's discretion.

4. Only after the Main Pool Work is completed in its entirety and determined by LSJ, in its discretion, to be satisfactory, at no charge or cost to LSJ, except as expressly provided in paragraph 6 below, VIGP shall proceed to correct deficiencies in VIGP's previous construction and installation of the Flagpole Pool by providing all labor, tools and equipment necessary to re-plaster the Flagpole Pool, including, but not limited to, supplying all labor, tools and equipment necessary to perform the following related work (the correction of such deficiencies, the re-plastering of the Flagpole Pool and said related work are hereinafter referred to as the "Flagpole Pool Work"):

- Saw cut and chip tile line, all wall fittings, main drains, and steps
- Acid wash and pressure wash all existing Diamond Brite
- Re-mud in all chipped areas
- Apply new Diamond Brite - Midnight Blue
- Install new wall fittings and main drains - grey color (to be supplied and paid for by VIGP)

5. VIGP shall complete all Flagpole Pool Work within seven days of commencing the same. VIGP shall complete the Flagpole Pool Work in a professional and workmanlike manner consistent with the standards set forth in this Agreement and to the satisfaction of LSJ, in LSJ's discretion.

6. In connection with VIGP's performance of the Flagpole Pool Work, LSJ shall pay VIGP a fixed amount of \$6,000 for labor. Payment of the foregoing \$6,000

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for labor shall not be made by LSJ until the Main Pool Work and the Flagpole Pool Work have both been completed in their entirety to the satisfaction of LSJ, in LSJ's

discretion. In addition to the foregoing, LSJ shall provide at LSJ's cost the materials to be used to complete the Flagpole Pool Work, provided that promptly after executing this Agreement, VIGP will provide LSJ with a detailed list specifying the actual materials required to be used to complete the Flagpole Pool Work, and provided further that the new wall fittings and main drains for the Flagpole Pool Work (specified in paragraph 4 hereof) shall be supplied and paid for by VIGP.

7. Other than providing the materials as set forth in paragraphs 2 and 6 above and the payment of \$6,000 as set forth in paragraph 6 above, LSJ shall not be obligated to make any payment to VIGP, or any vendor, supplier, subcontractor or laborer of VIGP, with respect to any of the Work under this Agreement, except that LSJ shall pay VIGP's current outstanding invoice in the amount of \$34,719.42, which is currently under dispute by LSJ (the "Disputed Balance"), but only at such time as the Main Pool Work and the Flagpole Pool Work have both been completed in their entirety to the satisfaction of LSJ, in LSJ's discretion.

8. It is understood and agreed that upon completion of the Work by VIGP, the Work, the Main Pool and the Flagpole Pool shall satisfy a level of quality, workmanship, and aesthetic standard consistent with the highest standards applicable to an ultra high-end multimillion dollar residential project.

9. This Agreement supersedes any and all prior agreements, representations, warranties, covenants, terms and conditions between the parties hereto concerning the subject matter hereof, which prior agreements, representations, warranties, covenants, terms and conditions are hereby canceled. This Agreement may only be changed, modified or amended by an agreement in writing, signed by the parties hereto.

10. This Agreement may be executed in counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

11. This Agreement shall be governed by, and construed in accordance with, the laws of the United States Virgin Islands, applicable to contracts executed and to be fully performed therein, without giving effect to its principles of conflicts of law.

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If the foregoing correctly sets forth our mutual understanding and agreement with respect to the Work, please so signify by signing this letter in the space provided below, whereupon this letter shall become a valid and binding agreement between us.

Sincerely,

L.S.J., LLC

By: \_\_\_\_\_  
Authorized Representative

AGREED AND ACCEPTED BY:

VIRGIN ISLANDS GUNITE POOLS

By: \_\_\_\_\_  
Bart Wolterman