



February 23, 2015

Jeffrey Epstein
Owner
Nautilus, Inc.
6100 Red Hook Quarter, Suite B3
St. Thomas, U. S. Virgin Islands 00802

Via E-mail: [REDACTED]

RE: REVISED FEE PROPOSAL FOR ARCHITECTURAL-ENGINEERING SERVICES FOR LITTLE ST. JAMES CAY, ST. JOHN, U. S. VIRGIN ISLANDS

Dear Mr. Epstein,

The Jaredian Design Group is pleased to submit our revised fee proposal for professional architectural-engineering services for Nautilus, Inc., related to Little St. James Cay, St. John, U. S. Virgin Islands. The revised Scope is based upon the construction and improvements in the Engineering Area on the cay. The new residential structure shall be negotiated at a future date when you are ready to proceed with that project. The changes in the engineering area are as follows:

- The existing "tunnel" workshop shall be relocated into new structures that will be constructed on top of the existing RO and Electrical Services Buildings. These two buildings are constructed of reinforced concrete with substantial concrete roof slabs to serve as the floor for the new roof structure to be built on top of it. One of the buildings shall be utilized for the storage of recreational and utilitarian vehicles; while the other structure shall be used for the relocated wood and marine workshop that is presently in the "tunnel" structure. The entire Engineering Area will be evaluated and improved from a site planning point of view in order to create a more functional and aesthetic arrangement of the existing buildings. The existing vehicular-maintenance structure will be renovated and partially expanded to be linked between the two garage structures. Perimeter screen walls will be constructed in various areas to provide more secure and functional outdoor work areas. These screen walls may be aesthetically clad with native stone, as required, in order that the engineering areas achieve some of the aesthetics guidelines and requirements of the Owner. It is not anticipated at this time that any of the existing structures need to be demolished, but instead will be built onto in order to expand as required.

In general, services to be performed by task are as follows:

PHASE I-PRE-DESIGN SERVICES AND CONCEPTUAL PLANNING:

- 1.1 The Architect will develop in conjunction with the Owner the final space-plan requirements for each building. The space plan will establish the actual size of all spaces within the new buildings. The Space-plan Program will be developed through a series of meetings with the Owner and his Maintenance Staff. These meetings will allow the Architect to develop the spatial requirements as well as all of the physical, electrical and mechanical criteria as well as special furnishings, security requirements, architectural characteristics, accessibility requirements and all other features necessary to give the Owner a complete space program for the new construction.
- 1.2 The Architect shall evaluate the existing structures to be relocated to establish initial program requirements as well as existing buildings to remain to determine the level of expansion and renovation.

- 1.3 The Conceptual Design will include a Master Plan and Concept Design that consists of a Site Plan, Floor Plans and Elevation Drawings. The Site Plan will show all major site components and it will depict the foot print of all adjacent existing and proposed new buildings and all structures affected by this project. The master site plan will also indicate all vehicular roads, all pedestrian walkways, all parking areas, all green spaces and all other site features that have an impact on the overall Master Plan.

PHASE 2-PRELIMINARY DESIGN SERVICES:

- 2.1 The Architect shall provide Final Schematic Design Documents based on the mutually agreed-upon program, schedule, and budget for the overall Cost of the Work. The documents shall establish the preliminary design of the Project illustrating the scale and relationship of the Project components. The Final Schematic Design Documents shall include a site plan, and preliminary building plans, sections, elevations and renderings, as required. The Final Schematic Design Documents may also include perspective sketches, electronic modeling or any combinations of these media approaches. Preliminary selections of major building systems and construction materials shall be noted on the drawings and/or described in writing within the written Final Project Program.
- 2.2 The Architect shall assist the Owner in applying for Coastal Zone Management Permits for each building upon approval of the Preliminary Design Documents.

PHASE 3-CONSTRUCTION DOCUMENTS SERVICES:

- 3.1 The Architect shall provide Construction Documents based on the approved Preliminary Design Documents and updated budget for the Cost of the Work. The Construction Documents shall set forth in detail the requirements for construction of the Project for the development. The Construction Documents shall include Drawings and Specifications that establish in detail the quality levels of materials and systems required for the Project. These will include the following:
 - 3.1.1 Project specific Site Plan, Selective Demolitions Plans, Proposed Floor Plans, Roof Plan(s), Elevations, Sections, Interior Elevations, Structural Framing Plans, Schedules, and complete details along with complete Project Specifications.
 - 3.1.2 Secure all required Building Permits required prior to commencement of Construction.

PHASE 4-BIDDING AND NEGOTIATION SERVICES:

- 4.1 Bidding and Negotiation Services will be provided by the Architect on an hourly basis, as required by the Owner.

COMPENSATION

The basis for the revised fee proposal prepared below by the Jaredian Design Group is developed from the effort anticipated to perform the work requested. This includes determining man-hours to be spent, and the number of drawings to be produced. The Jaredian Design Group proposes the following fee proposal for the aforementioned tasks:

- **Maintenance Shop Design –**
 - Initial Payment \$25,000.00
 - Pre-design and Conceptual Design \$ 5,000.00
 - Preliminary Design Services \$20,000.00
 - Final Design/Construction Documents \$20,000.00
 - Bidding/Negotiations (To Be Negotiated)

Total Design Fees/Maintenance Shop \$70,000.00

ACCEPTANCE OF SERVICES – To serve as acceptance of this proposal and written authorization to proceed, you may sign and return the enclosed copy of this letter.

The costs included in this proposal are valid for thirty (30) days from the date of submittal. If the contract is accepted after said period, Jaredian Design Group reserves the right to review and retain or modify the figures stated herein in order to appropriately reflect changing costs and salaries and similar economic consideration.

This document shall represent our total agreement and supersedes all prior representations. Any amendments shall be in writing and signed by Nautilus, Inc. Our understanding shall be construed under the laws of the Territory of the U. S. Virgin Islands

TIME SCHEDULE: This project shall be done on a schedule that is based upon the building programs:

- **Maintenance Shop Design –**
 - Pre-design and Conceptual Design 15 days
 - Preliminary Design 20 days
 - Final Design 30 days
 - Bidding and Negotiation Services TBD

We thank you for your consideration of the Jaredian Design Group for this project. We look forward to working with you and your Team once again. Should you have any questions or comments, please feel free to call on me at 777-1600.

Very truly yours,

JAREDIAN DESIGN GROUP



John P. Woods, AIA, NCARB
Principal

Encl.: JDG's Standard Terms and Conditions

Cc: Cecile deJongh, Business Manager, Southern Financial Trust
LeRoy V. Smith, Jr., PE, Principal, Jaredian Design Group

ACCEPTANCE OF REVISED FEE PROPOSAL:

Name (Please Print)

Signature

Title (Please Print)

Date