UNITED STATES VIRGIN ISLANDS

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GOVERNMENT OF THE TERRITORY OF THE VIRGIN ISLANDS
OF THE UNITED STATES
ECONOMIC DEVELOPMENT CERTIFICATE
EXTENSION

IGY-AYH ST. THOMAS HOLDINGS, LLC d/b/a AMERICAN YACHT HARBOR
(Beneficiary)

Pursuant to the authority vested in me as the Chairman of the Virgin Islands Economic Development Commission (hereinafter the "Commission") by Title 29 Virgin Islands Code, Chapter 12 and in the name of the Government of the Virgin Islands of the United States, I do hereby issue this certificate to IGY-AYH St. Thomas Holdings, LLC d/b/a American Yacht Harbor (hereinafter the "Beneficiary") whose transfer certificate was executed on December 10, 2010 and whose extension application for Economic Development Benefits was accepted by the Chief Executive Officer of the Economic Development Authority on November 12, 2010. The Commission finds that the Beneficiary is an eligible extension Beneficiary pursuant to Section 715-2 (b) of the Commission's Rules and Regulations. The grant of benefits hereinafter described is for the Beneficiary or any successors approved by the Commission to conduct the ownership and operation of a marina facility on the island of St. Thomas that includes the leasing of boat slips and tenant occupied marine and related facilities.

This certificate is subject to the acceptance of and full compliance by the Beneficiary with all the following general, standard, and special conditions, and the timely performance and observance of the same by the Beneficiary:

I. The Beneficiary shall invest in this business in the Virgin Islands of the United States not less than a minimum of Two Hundred Ten Thousand U.S. Dollars ($210,000) during the duration of the term of its extension of benefits.

II. The Beneficiary shall employ a minimum of twenty-four (24) full-time employees during the duration of the term of its extension of benefits. During the entire period of the grant of benefits, at least eighty percent (80%) of all employees of IGY-AYH St. Thomas Holdings, LLC d/b/a American Yacht Harbor must be Virgin Islands residents as defined in 703(e), 29 V.I.C. and provided that not less than twenty percent (20%) shall be in the areas of management, supervisory and/or technical positions filled by residents of the Virgin Islands, pursuant to Title 29, Chapter 12, Section 710(a).

Economic Development Certificate

III. The following standard conditions shall apply:

1. Beneficiary shall comply with any and all reasonable requests during regular working hours of the Commission, the Virgin Islands Department of Finance, the Virgin Islands Bureau of Audit and Control, Virgin Islands Department of Labor, Virgin Islands Department of Licensing and Consumer Affairs, and the Virgin Islands Bureau of Internal Revenue.

2. This certificate is conditioned upon the final determination of the Secretary of the Treasury of the United States or his designee, of compliance of the Beneficiary with the requirements of Section 934 of the United States Internal Revenue Code of 1986, as amended, if applicable.

3. Beneficiary shall fully and actually comply and continue to comply with all the applicable provisions of Title 29, Chapter 12 of the Virgin Islands Code, the regulations issued pursuant thereto, and all other applicable local and federal laws and regulations, including but not limited to those dealing with non-discrimination and veterans' employment rights.

4. Beneficiary shall particularly comply, and continue to comply with federal and local laws, which establish standards of ecological and environmental compatibility, with rules and regulations of the Director of the Virgin Islands Bureau of Internal Revenue, and with the rules and regulations of the Economic Development Program.

5. Beneficiary shall particularly comply, with Section 8 of Act No. 5768, which provides that the Beneficiary shall maintain payroll accounts, from which local employees are paid, in a bank licensed and conducting business in the United States Virgin Islands.

6. This certificate shall be effective only for so long as the Beneficiary continues to observe and perform each and every condition in this certificate.

7. Upon a written finding by the Commission, after a hearing if required, that the Beneficiary has failed to observe the conditions in this Certificate, or to comply with any of the time limits provided in this certificate or otherwise provided by law, and upon such further finding that such failure is not due to an act of God, a "force majeure," (or to the reliance in good faith by the Beneficiary, (on a false statement by a third party unrelated to the Beneficiary,) then the Certificate may be revoked, suspended or modified by the Commission pursuant to 29 V.I.C. Section 722. If the Beneficiary is

found to have made false or fraudulent statements or representations or false claims for benefits, then pursuant to 29 V.I.C. Section 725 the Beneficiary shall pay or refund, as the case may be, to the Government of the Virgin Islands of the United States, the amount of every and all benefits received under the Certificate after the commencement dates specified herein; provided however that the Commission may for good cause shown, grant extensions of any such time periods as may be permitted, such extensions to be evidenced by an amendment to this certificate. The hearings and findings are referred to in Code Section 722 and Subchapter 722 of the Rules and Regulations. Nothing in this section shall be construed to limit the Commission's rights, duties and responsibilities under Title 29 V.I. Code Section 722 or Subchapter 722 of the Regulations.

8. Any new shareholders, partners, owners, members or beneficiaries added to the entity after its application has been approved may not claim benefits under the Economic Development Program without the prior written approval of the Economic Development Commission.

IV. **The following special conditions shall apply**:

1. The Beneficiary will make a minimum charitable contribution of Thirty Thousand U.S. Dollars ($30,000) annually with annual increases of Two Thousand Five Hundred U.S. Dollars ($2,500) to be directed towards U.S. Virgin Islands charities and educational programs, including but not limited to after-school programs and summer programs. In accordance with Title 29 Virgin Islands Code §708(m), the Applicant will provide a minimum of Three Thousand U.S. Dollars ($3,000) of its overall charitable contribution to the Territorial Scholarship Fund. The remaining amount will be directed to U.S. Virgin Islands charities. The Beneficiary will commit to working closely with the EDC to bring other enterprises to the territory, especially those in marine-related businesses, and to participate in public-private initiatives and EDC marketing efforts toward that end.

2. The Beneficiary will provide its employees with health, dental, vision, and air ambulance insurance coverage paying 100% premium for its employees and will permit employees to purchase dependent coverage with employer paying 1/3 of the cost.

3. The Beneficiary will provide eligible employees with employer paid Thirty Thousand U.S. Dollars ($30,000) term life insurance coverage and long and short-term disability insurance.

4. The Beneficiary will provide its employees with a defined retirement plan with employer making an annual contribution of 3% of the employee's annual salary whether or not the employee contributes.

5. The Beneficiary will provide its employees with ten (10) days paid vacation between the first (1^{st}) through the fourth (4^{th}) year of employment; fifteen (15) days paid vacation between the fifth (5^{th}) through the ninth (9^{th}) year of employment; and twenty (20) days paid vacation over ten (10) years of employment, six (6) days paid sick leave, three (3) days paid personal leave, and seven (7) paid holidays.

6. The Beneficiary will comply with the management training program as approved by the Economic Development Commission.

7. The Beneficiary will offer tuition reimbursement for short term coursework in subject areas directly related to an employee's current work depending on the grade achieved, with 100% for an "A", and 75% for a "B". All courses must be approved in writing by the General Manager.

8. In accordance with and subject to Virgin Islands law, Title 29 Virgin Islands Code Chapter 12, Section 708(h) and applicable rules and regulations of the Economic Development Commission with regard to the Eligible Supplier Program, IGY-AYH St. Thomas Holdings, LLC d/b/a American Yacht Harbor will purchase all goods and services from U.S. Virgin Islands entities duly licensed and in good standing under the laws of the Virgin Islands, as available, to the greatest extent possible.

V. Specifically Excluded Trade or Business:

Retail sale of gasoline and other retail activities

UNITED STATES VIRGIN ISLANDS

Investors Dream

Economic Development Certificate

THEREFORE, pursuant to the public hearing on this Beneficiary's application on November 23, 2010 and the Commission meetings held February 24, 2011, and based upon the representations of the Beneficiary made orally and in writing and as agreed to herein, the Commission, with the prior approval of the Governor of the Virgin Islands of the United States herein enters into this Benefits Certificate with the Beneficiary that if the Beneficiary complies with the conditions herein, the provisions of Title 29 V.I. Code, Chapter 12 as existing on the date of the Governor's approval, the Rules and Regulations of the Commission promulgated in accordance with Title 29 V.I. Code Section 705(f) and all applicable laws and regulations of the Territory of the Virgin Islands of the United States and of the United States of America, then the Commission hereby grants the benefits stated in Appendices and Sub-Appendices A to C inclusive to commence and terminate as stated in each signed Appendix.

IN WITNESS HEREWITH, the parties hereunto set their hands and seals on the dates noted below:

Witness

Witness

Witness

Witness

Date: 8/3/11

Albert Bryan, Jr., Chairman

Economic Development Commission

IGY-AYH St. Thomas Holdings, LLC

Accepted by:

Thomas McKonnell, President July 27, 2011

Name and Title: Date:

UNITED STATES VIRGIN ISLANDS

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GOVERNMENT OF THE TERRITORY OF THE VIRGIN ISLANDS
OF THE UNITED STATES
ECONOMIC DEVELOPMENT CERTIFICATE

APPENDIX A:
USVI INCOME, GROSS RECEIPT AND EXCISE TAXES

NAME, ADDRESS AND TELEPHONE NUMBER OF BENEFICIARY:
NAME: IGY-AYH St. Thomas Holdings, LLC d/b/a American Yacht Harbor
PHYSICAL AND MAILING ADDRESS: American Yacht Harbor, 6100 Red Hook Qtrs. #2 St. Thomas VI 00802
TELEPHONE: (340) 775-6454 FAX: (340) 776-5960

NATURE AND EXTENT OF BENEFITS:
USVI Income Taxes: 81% percent exemption
USVI Gross Receipt Taxes: 90% percent exemption
USVI Excise Taxes (Raw Materials): 90% exemption from excise taxes (except gasoline taxes) on raw materials and component parts used by the Beneficiary in its production process.
USVI Excise Taxes (Equipment, Machinery): 90% exemption from excise taxes on building materials, tools, pipes, conveyor belt, or other appliances, material, and supplies necessary for use in the construction, alteration, reconstruction or extension of the physical plant or facilities of the Beneficiary.

In the case of hotels, the excise tax exemption shall not apply to original or replacement furnishing. "Furnishings" means furniture and fixtures (§713-4(b))

COMMENCEMENT DATES OF BENEFITS:
USVI Income Taxes: March 8, 2010
USVI Gross Receipt Taxes: March 8, 2010
USVI Excise Taxes (Raw Materials): N/A
USVI Excise Taxes (Equipment, Machinery): November 1, 2012

TERMINATION DATES OF BENEFITS:
USVI Income Taxes: March 7, 2015
USVI Gross Receipt Taxes: March 7, 2015
USVI Excise Taxes (Raw Materials): N/A
USVI Excise Taxes (Equipment, Machinery): October 31, 2017

AUTHORITY FOR BENEFITS:
Title 29 V.I. Code Sections 713b, 713a (a) (2), 713a (a) (3).
Title 33 V.I. Code Section 43d

Chief Executive Officer, EDA: ______ **Date:** 8/15/11

UNITED STATES VIRGIN ISLANDS

Investors Dream

GOVERNMENT OF THE TERRITORY OF THE VIRGIN ISLANDS
OF THE UNITED STATES
ECONOMIC DEVELOPMENT CERTIFICATE

APPENDIX A1:
USVI WITHHOLDING TAX ON DIVIDENDS AND INTEREST

NAME, ADDRESS AND TELEPHONE NUMBER OF BENEFICIARY:
NAME: IGY-AYH St. Thomas Holdings, LLC d/b/a American Yacht Harbor
PHYSICAL AND MAILING ADDRESS: American Yacht Harbor, 6100 Red Hook Qtrs. #2 St. Thomas VI 00802
TELEPHONE: (340) 775-6454 FAX: (340) 776-5960

NATURE AND EXTENT OF BENEFITS:
Dividend Withholding Tax Exemption in accordance with Title 29 V.I. Code Section 713d
Interest Withholding Tax Exemption in accordance with Title 29 V.I. Code Section 713d

Member	Address	Owned
Island Global Yachting Facilities Ltd.	717 5th Ave., 18th Floor New York, NY 10022	50%
Jeffrey Epstein	6100 Red Hook Quarter, Ste. B-3 St. Thomas, VI 00802	50%

COMMENCEMENT DATE OF BENEFITS:

Dividend Withholding Tax Exemption: March 8, 2010
Interest Withholding Tax Exemption: March 8, 2010

TERMINATION DATE OF BENEFITS:

Dividend Withholding Tax Exemption: March 7, 2015
Interest Withholding Tax Exemption: March 7, 2015

AUTHORITY FOR BENEFITS: Title 29 V.I. Code Section 713d

Chief Executive Officer, EDA: [signature] **Date:** 8/15/11

UNITED STATES VIRGIN ISLANDS

Investors Dream

GOVERNMENT OF THE TERRITORY OF THE VIRGIN ISLANDS
OF THE UNITED STATES
ECONOMIC DEVELOPMENT CERTIFICATE

APPENDIX B:
USVI REAL PROPERTY TAXES

NAME, ADDRESS AND TELEPHONE NUMBER OF BENEFICIARY:
NAME: IGY-AYH St. Thomas Holdings, LLC d/b/a American Yacht Harbor
PHYSICAL AND MAILING ADDRESS: American Yacht Harbor, 6100 Red Hook Qtrs. #2 St. Thomas VI 00802
TELEPHONE: (340) 775-6454 FAX: (340) 776-5960

NATURE AND EXTENT OF BENEFITS:
Real Property Taxes: 90% exemption of taxes on real property used for the business of operating a marina facility that includes the leasing of boat slips and tenant occupied marine related facilities.

PARCEL(S) EXEMPTED:

- **1-07702-0133-00**
- **1-07702-0134-00**
- **1-07702-0135-00**

COMMENCEMENT DATE OF BENEFITS:

Real Property Tax Exemption Starts: January 1, 2012

TERMINATION DATE OF BENEFITS:

Real Property Tax Exemption Terminates: December 31, 2016

AUTHORITY FOR BENEFITS: Title 29 V.I. Code Section 713a (a) (1)

Chief Executive Officer, EDA: [signature] **Date:** 8/15/11

UNITED STATES VIRGIN ISLANDS

Investors Dream

GOVERNMENT OF THE TERRITORY OF THE VIRGIN ISLANDS
OF THE UNITED STATES
ECONOMIC DEVELOPMENT CERTIFICATE

APPENDIX C:
CUSTOMS DUTIES

NAME, ADDRESS AND TELEPHONE NUMBER OF BENEFICIARY:
NAME: IGY-AYH St. Thomas Holdings, LLC d/b/a American Yacht Harbor
PHYSICAL AND MAILING ADDRESS: American Yacht Harbor, 6100 Red Hook Qtrs. #2 St. Thomas VI 00802
TELEPHONE: (340) 775-6454 **FAX: (340) 776-5960**

NATURE AND EXTENT OF BENEFITS:

V.I. Customs Duties to be assessed on raw materials and component parts brought into the USVI by the Beneficiary for the purpose of producing, creating, or assembling an article, good or commodity as a result of industrial or manufacturing processing such raw materials or components parts shall be imported into the United States Virgin Islands at a customs duty rate of one percent (1%).

COMMENCEMENT DATE OF BENEFITS:

Customs Duties Reduction Begins: November 1, 2012

TERMINATION DATE OF BENEFITS:

Customs Duties Reduction Terminates: October 31, 2017

AUTHORITY FOR BENEFITS: Title 29 V.I. Code Section 713c

Chief Executive Officer, EDA: ______ **Date:** 8/15/11

GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS