

TESTIMONY BEFORE THE 31<sup>ST</sup> LEGISLATURE'S COMMITTEE OF THE WHOLE  
PROVISION OF A TEMPORARY AND PERMANENT RESIDENCE  
FOR THE GOVERNOR OF THE VIRGIN ISLANDS

October 01, 2015

Randolph H. Knight  
Chair of the Board of Directors  
West Indian Company, Ltd.

HONORABLE NEVILLE JAMES, PRESIDENT OF THE 31<sup>ST</sup> LEGISLATURE, SENATORS, LEGISLATIVE STAFF, FELLOW TESTIFIERS, VIEWERS, LISTENERS, MEDIA AND MEMBERS OF THE PUBLIC PRESENT TODAY.

GOOD MORNING, MY NAME IS RANDOLPH H. KNIGHT, CHAIR OF THE BOARD OF DIRECTORS OF THE WEST INDIAN COMPANY, LIMITED (WICO), AND CHIEF OF STAFF OF THE OFFICE OF THE GOVERNOR.

IT IS MY FIRM BELIEF THAT A NUMBER OF PEOPLE WERE LEFT WITH THE IMPRESSION THAT I WILLFULLY AND DISRESPECTFULLY DID NOT ATTEND THE COMMITTEE OF THE WHOLE HEARING HELD ON JULY 9, 2015. NOTHING COULD BE FURTHER FROM THE TRUTH. IN PART I, AT PAGE 62 , OF THE JULY 9 HEARING TRANSCRIPT, (ATTACHED AS EXHIBIT T-1), SENATE PRESIDENT JAMES ASKED FOR CORRESPONDENCE TO BE READ PERTAINING TO MR. JIMEZ ASHBY'S UNAVAILABILITY TO ATTEND THE HEARING. HOWEVER, NOTHING WAS READ INTO THE RECORD ABOUT CORRESPONDENCE RECEIVED BY THE SENATE PRESIDENT CONCERNING MY UNAVAILABILITY. IN PART II, AT PAGES 109 AND 110 OF THE HEARING TRANSCRIPT, (ATTACHED AS EXHIBIT T-2) SENATE PRESIDENT JAMES ACKNOWLEDGES IN A DISCUSSION ABOUT ME WITH ATTORNEY ADRIANE DUDLEY, "I RECEIVE A LETTER FROM ADRIANE DUDLEY . . . .STATING THAT HE WOULD BE ABSENT?.....HE'D BE OFF ISLAND HIM AND -- THOMAS?" ATTORNEY DUDLEY RESPONDED WITH, "YES, SIR." THE MISUNDERSTANDING CONTINUED IN PART III AT PAGE 8 OF THE HEARING

TRANSCRIPT WHERE SENATOR ROACH STATES ABOUT ME, “. . . HIS NOT EVEN SENDING A LETTER INDICATING THAT HE WOULDN'T BE HERE . . . ” AND IN PART III AT PAGE 53 WHERE SENATOR JACKSON STATES, “I'M TOTALLY DISAPPOINTED WITH THE EXECUTIVE BRANCH IN THAT MR. RANDY KNIGHT CHOOSE NOT TO BE HERE TODAY --.” (ATTACHED AS EXHIBITS T-3; T-4) FOR THE RECORD I WILL READ THE FOLLOWING LETTER, FROM WICO ATTORNEY, ADRIANE DUDLEY ADDRESSED TO SENATE PRESIDENT JAMES DATED JULY 2, 2015 AND ATTACHED AS EXHIBIT A.

**READ EXHIBIT A.**

FURTHERMORE, I DID SEND A LETTER TO SENATE PRESIDENT JAMES, ATTACHED HERETO AS EXHIBIT B, WITH COPIES TO ALL THE OTHER FOURTEEN MEMBERS OF THE 31<sup>ST</sup> LEGISLATURE RESPONDING TO THE ALLEGATIONS ABOUT BY ABSENCE AT THE JULY 9, 2015 HEARING. INASMUCH AS I NEVER RECEIVED A RESPONSE TO THIS LETTER, AND I DID NOT RELEASE IT TO THE MEDIA, I WILL READ IT INTO THE RECORD AS WELL.

**READ EXHIBIT B.**

THE MISPERCEPTION THAT I DISRESPECTED THIS BODY CONTINUES AND IS UNDERSCORED BY RECENT INACCURATE MEDIA REPORTS. ALTHOUGH THE DATE FOR TODAY'S HEARING, OCTOBER 1, WAS SET ON SEPTEMBER 18, A REPORTER FILED A STORY LAST FRIDAY, SEPTEMBER 25, STATING THAT, “THE SENATE DID NOT HEAR FROM GOVERNMENT HOUSE CHIEF OF STAFF RANDY KNIGHT ON THURSDAY [SEPTEMBER 24], THOUGH THAT WAS THE DATE SET FOR HIS APPEARANCE BEFORE THE COMMITTEE OF THE WHOLE TO ANSWER QUESTIONS .

..

WE ALL KNOW THE ST THOMAS TABLOID'S RECENT DIFFICULTY REPORTING THE ACTUAL FACTS. A PERFECT EXAMPLE IS THE PERSONAL ATTACK ON ME ABOUT SOME TRAVEL RECORDS AND THE ALLEGATION THAT I'VE BEEN “DOUBLE DIPPING” .....REALLY? I'VE PERSONALLY GIVEN MILLIONS OF DOLLARS TO VARIOUS VIRGIN ISLANDS' ORGANIZATIONS, AND DURING THIS FIRST AND LAST FORAY OF MINE INTO GOVERNMENT SERVICE, I AM FOCUSED ON SOLUTIONS TO

IMPORTANT ISSUES THAT WILL IMPROVE THE QUALITY OF LIFE FOR ALL VIRGIN ISLANDERS, NOT RIPPING OFF THE PEOPLE FOR A FEW BUCKS. I SINCERELY APPRECIATE THE MANY OPPORTUNITIES THAT I HAVE RECEIVED IN OUR BEAUTIFUL VIRGIN ISLANDS, AND IT IS MY INTENTION TO LEAVE MY ENTIRE ESTATE TO BENEFIT THE VI.

LET'S NOW FOCUS ON THE RESIDENCE FOR THE GOVERNOR OF THE VIRGIN ISLANDS, AND HOPEFULLY MOVE IN A CONSTRUCTIVE DIRECTION FROM THIS HEARING TODAY.

IMMEDIATELY FOLLOWING THE SUCCESSFUL GUBERNATORIAL RUN-OFF ELECTION ON NOVEMBER 18, 2014, GOVERNOR-ELECT KENNETH E. MAPP, A RESIDENT OF ST CROIX, ASKED ME TO BEGIN THE NECESSARY SEARCH FOR A RESIDENCE ON ST. THOMAS, AS REQUIRED BY LAW. THIS SEARCH WAS NECESSARY DUE TO THE FACTS THAT PREVIOUS GOVERNORS WERE UNABLE TO RESIDE AT OR OTHERWISE INHABIT THE INTERIOR PREMISES OF CATHERINEBERG DUE TO SEVERE MOLD PROBLEMS WITH THE BUILDING OVER THE YEARS. THE STATE OF THE PROPERTY WAS COMPREHENSIVELY ADDRESSED AND DISCUSSED BY ARCHITECT WILLIAM TAYLOR AT THE JULY 9 HEARING.

WITH THE ST. THOMAS HIGH SEASON FAST APPROACHING I CONTACTED SEVERAL REAL ESTATE AGENTS TO DETERMINE THE AVAILABILITY OF UNITS MEETING THE REQUIREMENTS OF A GOVERNOR, ESPECIALLY SECURITY. AFTER VISITING A NUMBER OF UNITS AND FINDING NOTHING SUITABLE, IN MID-DECEMBER DEPUTY CHIEF OF STAFF ROCHELLE CORNEIRO REACHED OUT TO OTHER SOURCES IN AN EFFORT TO IDENTIFY THE HOTEL AND CONDOMINIUM INVENTORY.

LATE IN DECEMBER, MS. CORNEIRO WAS INTRODUCED TO VILLA FRATELLI CRESTA, AND A SHORT TERM RENTAL WAS BOOKED FROM JANUARY 3 – 9, 2015. GOVERNOR MAPP FOUND THIS RESIDENCE TO ADEQUATELY FULFILL ALL OF HIS REQUIREMENTS. WITH VIRTUALLY NO OTHER OPTION AVAILABLE, MS. CORNEIRO ASKED THE OWNER AND HIS REPRESENTATIVE FOR A SIX MONTH CONTRACT IN

ORDER TO SECURE THE PROPERTY FOR THE GOVERNOR'S FIRST HALF YEAR IN OFFICE.

AFTER NEGOTIATIONS WERE HELD BETWEEN THE PARTIES, THE PROPOSED VILLA FRATELLI CRESTA RENTAL AGREEMENT WAS SENT TO THE DEPARTMENT OF PROPERTY & PROCUREMENT FOR APPROVAL. THIS PROPOSED CONTRACT DUE TO COMMENCE ON JANUARY 10, SPECIFIED A RENTAL OF \$12,000 FOR JANUARY AND FEBRUARY, \$14,500 FOR MARCH, APRIL, MAY AND JUNE, PLUS ADDITIONAL CHARGES EACH MONTH FOR UTILITIES AND SERVICES, AS WELL AS A SECURITY/DAMAGE DEPOSIT OF \$50,000. THE SECURITY/DAMAGE DEPOSIT PRESENTED A ROADBLOCK TO THE AGREEMENT'S APPROVAL BECAUSE THE DEPARTMENT OF PROPERTY & PROCUREMENT'S POLICY DOES NOT ALLOW FOR SUCH ADVANCE CHARGES. (SEE PROPOSED AND UNEXECUTED RENTAL AGREEMENT ATTACHED AS EXHIBIT C)

WHEN MS. CORNEIRO BROUGHT THIS TO MY ATTENTION, I RECALLED THAT WICO HAD PROVIDED TEMPORARY HOUSING TO GOVERNOR TURNBULL WHEN MOLD ISSUES WERE BEING REMEDIATED AT CATHERINEBERG. ALSO, MS. CORNEIRO MENTIONED TO ME THAT THE RESIDENCE'S OWNER WAS REACHING OUT TO HER FOR PAYMENT, SO I DECIDED THAT A POSSIBLE SOLUTION WOULD BE TO BRING THIS MATTER UP AT THE NEXT DAY'S WICO BOARD MEETING ON APRIL 14.

AT THE APRIL 14, 2015 WICO BOARD MEETING, I DID RAISE THE SUBJECT OF WICO PAYING FOR THE GOVERNOR'S TEMPORARY HOUSING AS DETAILED IN THE UNEXECUTED VILLA FRATELLI CRESTA RENTAL AGREEMENT. AFTER INSIGHTFUL INPUT FROM SEVERAL DIRECTORS, A VOTE WAS TAKEN TO ENTER INTO AN AGREEMENT FOR THE PAYMENT FOR THE TEMPORARY RESIDENCE BEING OCCUPIED BY THE GOVERNOR, AND TO PAY THE OUTSTANDING BALANCE FOR THE UNIT. THE VOTE WAS 8-0-1, AND ON MAY 14, 2015, AS WICO BOARD CHAIR, I SIGNED AS REQUIRED THE APPROPRIATE RESOLUTION. (SEE RESOLUTION ATTACHED AS EXHIBIT D).

AFTER THE APRIL 14 WICO BOARD MEETING, FINANCE CHAIR MICHAEL WATSON NOTED OUR COLLECTIVE DISPLEASURE WITH THE TERMS OF THE AGREEMENT, AND I ASKED HIM TO ENTER INTO NEGOTIATIONS WITH THE RESIDENCE OWNER'S REPRESENTATIVES ABOUT AN ADJUSTMENT. WICO ATTORNEY ADRIANE DUDLEY MET WITH THE OWNER'S REPRESENTATIVE, AND IT WAS AGREED THAT BASED ON THE LIMITED TIME THAT THE UNIT WAS OCCUPIED BY THE GOVERNOR, A FAIR MONTHLY RENTAL WAS \$12,500 PER MONTH INCLUSIVE OF ALL UTILITIES AND EXPENSES.

A RESOLUTION WAS PREPARED, AND AS WICO BOARD CHAIR, I WAS REQUIRED TO SIGN IT AND DID SO ON JUNE 9, 2015. THE NEW RESOLUTION REFLECTED THE ACTUAL MONTHLY RENTAL FEE OF \$12,500 PER MONTH INCLUSIVE OF ALL UTILITIES AND EXPENSES, AND RESCINDED THE PREVIOUSLY APPROVED RESOLUTION FOR THE HIGHER FIGURE AND THE ERRONEOUS PLAN TO OFFSET THE TEMPORARY RESIDENCE COSTS AGAINST ANY LIABILITY OF WICO TO GVI FOR INCURRED PAYMENTS-IN-LIEU OF TAXES. (SEE RESOLUTION OF JULY 9 ATTACHED AS EXHIBIT E)

AS THE GOVERNOR WAS OCCUPYING THE PREMISES, IT WAS IMPERATIVE THAT THE BOARD AUTHORIZE PAYMENT OF THE INVOICED AMOUNT OF \$107,563.56. (SEE PAYMENT STUB FOR INVOICE ATTACHED AS EXHIBIT F). AT THAT TIME, IT WAS UNDERSTOOD THAT A REBATE OF SOME KIND WOULD HAVE TO BE NEGOTIATED, AND WICO DID IN FACT RECEIVE FROM THE OWNER A REFUND CHECK FOR \$45,036.56. (SEE COPY OF CHECK ATTACHED AS EXHIBIT G AND GUEST FOLIO ATTACHED AS EXHIBIT H). THE UNIT'S OWNER STILL OWES WICO A BALANCE DUE OF \$27.00.

ALTHOUGH THE MEDIA, ESPECIALLY A TABLOID IN ST. CROIX, CONTINUES TO REPORT THAT THE GOVERNOR'S RESIDENCE COST \$21,000/MONTH FOR A FIVE MONTH TOTAL OF \$107,000. THAT IS SIMPLY WRONG AND IRRESPONSIBLE IN THE FACE OF SWORN TESTIMONY AND DOCUMENTATION TO THE CONTRARY SUBMITTED TO THIS BODY AND PUBLISHED IN THE SAME PAPER REPEATING THE INACCURATE FIGURES.

AND, TO FURTHER DEMONSTRATE THAT POINT, THIS SAME PUBLICATION HAS OFTEN REPORTED THAT THE UNIT'S MONTHLY RENTAL NUMBER OF \$4,000 WAS FIRST STATED BY THE ADMINISTRATION. I WAS BAFFLED BY THE ORIGIN OF THAT FIGURE BECAUSE IT WAS TOTALLY INCORRECT, SO I ASKED DIRECTOR OF COMMUNICATIONS KIMBERLY JONES TO DETERMINE WHERE IT CAME FROM. THE ST. CROIX PAPER REPORTED THAT IT CAME FROM GOVERNMENT HOUSE. THE TRUTH IS THAT A REPORTER FROM THE PUBLICATION ASKED MS. JONES THE VALUE OF THE MONTHLY RENTAL AGREEMENT. THE REPORTER ASKED IF IT WAS IN THE HUNDREDS.....MS. JONES REPLIED TO HER, "I DON'T KNOW, BUT IT'S PROBABLY FOR THOUSANDS.....F-O-R NOT F-O-U-R.

THE TOTAL COST TO WICO FOR THE GOVERNOR'S RESIDENCE FROM JANUARY TO MAY, 2015 WAS AND WILL BE \$12,500/MONTH ALL INCLUSIVE WITH NO ADDITIONAL EXPENSES FOR A TOTAL OF \$62,500.

RIGHT NOW WICO IS IN NEGOTIATIONS FOR A TEMPORARY RESIDENCE FOR THE GOVERNOR. FOR SECURITY PURPOSES, AS WELL AS THE NEED TO SUCCESSFULLY CONCLUDE THESE NEGOTIATIONS, I WILL REFRAIN FROM DISCLOSING ITS LOCATION AND OWNER.

IT IS IMPERATIVE THAT WE REACH A RESOLUTION ON PERMANENT HOUSING FOR THE GOVERNOR. THE ADMINISTRATION AND THE LEGISLATURE HAVE THE OPPORTUNITY TO GET THIS ISSUE RESOLVED SO THAT NO FUTURE ADMINISTRATION WILL HAVE THIS SEEMINGLY CONTROVERSIAL ISSUE TO DEAL WITH. THERE IS A COST FOR HOUSING THE GOVERNOR OF THE VIRGIN ISLANDS. I, FOR ONE DO NOT KNOW WHAT THAT COST IS, BUT WHATEVER IS DECIDED, GOVERNORS OF THE VIRGIN ISLANDS, AS WELL AS ALL ELECTED OFFICIALS DESERVE OUR AND THE COMMUNITY'S RESPECT AND APPRECIATION FOR TAKING ON THE MANY CHALLENGES BEFORE THEM, ON A 24/7/365 BASIS. IT IS CONSTRUCTIVE TO CRITICIZE, BUT IT IS MOST EFFECTIVE WHEN DONE SO IN A CIVIL MANNER.

IN CLOSING, WE MUST GET THIS ISSUE BEHIND US BECAUSE THE PEOPLE OF THE VIRGIN ISLANDS NEED OUR FULLEST ATTENTION FOCUSED ON THE CRITICAL ISSUES THAT IMPACT OUR COMMUNITY EACH AND EVERY DAY.

THANK YOU, I AM RESPECTFULLY AVAILABLE TO ANSWER ANY QUESTIONS CONCERNING MY TESTIMONY.

RESPECTFULLY SUBMITTED,

RANDOLPH H. KNIGHT



# DUDLEY RICH DAVIS LLP

ATTORNEYS AT LAW

Adriane J. Dudley

adudley@dudleylaw.com

July 2, 2015

*VIA Email and Regular Mail*

Honorable Senator Neville James  
Senate President  
31<sup>st</sup> Legislature of the U.S. Virgin Islands  
Capitol Building  
St. Thomas, Virgin Islands 00802

Re: Hearing regarding Governor's Residence  
July 9, 2015 Committee of the Whole

Dear Senate President James,

On Behalf of WICO Board Chair Randolph Knight and Board Secretary Edward Thomas, I hereby respectfully decline your kind invitation to attend a Committee of the Whole meeting scheduled for July 9, 2015. These witnesses will both be off-island on pressing business.

CEO and President Joseph Boschulte, Finance Chair Michael Watson, Commissioner of Property and Procurement Randolph Bennett, architect William Taylor and I will all be present on July 9. We are prepared to provide the Committee with clear and complete information regarding the issues presented.

Respectfully submitted,

Adriane J. Dudley

Counsel to The West Indian Company Limited

Cc: Joseph B. Boschulte, President & CEO  
Randolph Knight, Board Chair  
Edward Thomas, Board Secretary

**EXHIBIT A**

Telephone: 340. 776. 7474

Facsimile: 340. 776. 8044

Mailing Address:  
5194 DRONNINGENS GADE  
SUITE 3  
ST. THOMAS, U.S.V.I. 00802

Physical Address:  
34-35 DRONNINGENS GADE  
SUITES 2A& 2B (at Hibiscus Alley)  
ST. THOMAS, U.S.V.I. 00802





## A CENTURY OF SERVICE

THE WEST INDIAN COMPANY LIMITED

EXECUTIVE OFFICES

P.O. BOX 7660, CHARLOTTE AMALIE, ST. THOMAS, U.S. VIRGIN ISLANDS 00801

FAX 340.776.4785, TELEPHONE 340.774.1780

July 15, 2015

**VIA Hand Delivery**

Honorable Senator Neville James  
Senate President  
31<sup>st</sup> Legislature of the U.S. Virgin Islands  
Capitol Building  
St. Thomas, Virgin Islands 00802

**Re: Hearing regarding Governor's Residence  
July 9, 2015 Committee of the Whole**

Dear Senate President James,

It has come to my attention that the Legislature's Committee of the Whole has indicated that there will be a subpoena issued for my appearance at a future hearing. Please be assured that I am willing to make myself available, without the need for issuance of a subpoena, to speak to the Committee or any individual members either privately or at any convenient meeting or hearing.

Please know that for the first scheduled hearing of the Committee of the Whole on July 1, 2015, I was available and had planned to attend and testify, but with the change in date to July 9, it was impossible for me to change my flights and reschedule my off-island meetings. WICO Attorney Adriane Dudley was directed to advise the Committee that I was indeed going to be off-island from July 9 to July 13, 2015. I can assure you that I was not "sitting back, watching the hearing on TV and laughing," but was on American Airlines flight 1350 that left Cyril E. King Airport at 08:10 AM on Thursday, July 9, 2015. That afternoon I had a meeting in Miami followed by meetings the next day and over the weekend in Boston, returning to St. Thomas on Monday, July 13.

Contrary to what some may insinuate, I hold nothing but the highest degree of respect for the members of the Legislature, and take my commitment to government service extremely seriously. Therefore, I do want to sincerely apologize for any inconvenience my absence may have caused. It was not meant to convey any disrespect whatsoever, and I specifically ensured that WICO Board Members Mr. Joseph

**EXHIBIT B**

Boschulte and Mr. Michael Watson along with Attorney Dudley and architect William Taylor were present at the hearing. Furthermore, it is indeed regrettable that my character and integrity were under attack over apparently some miscommunication about my whereabouts. Specifically, it is alleged that someone at Government House stated that I was in an on-island meeting when in reality I was in an airplane seat. It would certainly be helpful if you could identify, because I cannot, the individual at Government House who allegedly provided that false information to one of the Legislature's representatives.

It is indeed hoped that the issue of permanent housing for the Governor and Lt. Governor can be resolved as quickly as possible. Although it was the sole intention of the WICO Board to provide at least a temporary solution, it is imperative that this issue be permanently resolved for this Administration and all future Administrations. In my capacity as the Governor's Chief of Staff, I want to pledge the fullest cooperation of Government House and the entire Executive Branch to working with any committee that the Legislature deems appropriate to explore the best possible direction to go on this issue.

Thank you and I look forward to providing any additional information that may prove helpful to you and your colleagues.

Respectfully submitted,



Randolph H. Knight  
Chair, Board of Directors  
The West Indian Company Limited

cc: All Members of the 31<sup>st</sup> Legislature  
Mr. Joseph Boschulte  
Ms. Adriane Dudley  
Mr. William Taylor  
Mr. Michael Watson



**VILLA FRATELLI CRESTA RESIDENTIAL RENTAL AGREEMENT**

**1. PARTIES.** The parties to the Residential Agreement are:

**a. Landlord.**

Owner: Attn: Mr. Jimez "Ashby"  
Address: 2Y-18 Estate Nazareth, St. Thomas, US Virgin Islands VI, 00802  
Telephone: 340.715.1512 or Villa General Manager # 340-514-9441

Agent or Villa General Manager: *Randall K. Doty - email:randykdoty@gmail.com*

**b. Tenant(s):** The West Indian Company Limited (WICO)  
Address: Attn: Joseph B. Boschulte – President & CEO  
Address: P.O. Box 7660, Charlotte Amalie, St. Thomas, US VI 00801  
Telephone: 340.774.1780  
Other Occupants: \_\_\_\_\_

**c. Pets(s):** none

**d. Liability of Tenants.** All persons who sign this Rental Agreement as Tenants shall be jointly and severally liable under the terms of this Rental Agreement. The term "Tenant" as used in this Rental Agreement, shall refer to all Tenants identified in the previous subsection.

**Substitution of Tenants.** Unless otherwise agreed, this tenancy is restricted to the above named Tenants and no other occupants. Prior written consent of Landlord is required to substitute or increase Tenants or occupants. Pre-approved additional or substitute Tenants shall become additional signatories to this Rental Agreement. Guest visits in excess of fourteen (14) days will require written permission from the Landlord.

**2. PROPERTY.** The Landlord leases the following property hereafter referred to as Villa Fratelli Cresta:

**a. Real Property Address:** Villa Fratelli Cresta, hereafter referred to as VFC, located at 2Y – 18 Estate Nazareth – A fully furnished 7-bedroom, 9 bath villa with pool, hot tub and fitness center.

A description of the condition of the premises is indicated as move in ready report as all in good condition. An inventory by unit is available upon request and is incorporated herein by reference. The parties shall sign and attach the completed Move in Condition Report.

b. **Portions of Premises Not Included.** The following portions of the premises are not included as part of this Rental Agreement: None -All elements of property are included.

**3. TERM.**

a. **Term.** This Rental Agreement is for an initial term of (4) months beginning on **January 10, 2015** thru **April 30, 2015**. The 12-month extended term beginning on **May 1, 2015** and ending **April 30, 2016**. This agreement may be extended with for an additional 12-month term commencing **May 1, 2016** thru **April 30, 2017** at a rate to be agreed upon in writing by both Landlord and Tenant at time of extension request.

b. **Early Possession.** In the event that the Tenant takes early occupancy before the date as specified in Section 3.a., all terms and conditions of the Residential Rental Agreement shall become effective at the time of said occupancy. This includes, but is not limited to, rent and other amounts due to Landlord applicable to the period of early occupancy. Tenant to take occupancy beginning \_\_\_\_\_

c. **Extension of Lease.** In the event the Tenant and the Landlord agree to extend the lease after the initial and second extension thru **April 30, 2017**, such extension would be for a period of time to be negotiated. The landlord or his Villa designee (in this case the Villa General Manager) must be notified in writing, 3 months prior to the existing initial term expiration or on or before, **January 31, 2016** requesting the lease extension for the third term. It is understood by the "renter"/ "tenant" that this Villa is a short term rental property and reservations will be taken for future occupancy during the term of this agreement. At time of receipt of requested extension, the extension to date would be negotiated for the "renter", based on future reservations for Villa Fratelli Cresta already on the books at that time.

e. **Holdover Tenancy.** If this Rental Agreement creates a tenancy for a specified term and if a notice of termination is not given as per Section 13.a. it will result in a Month-to-Month tenancy.

**4. RENT.**

a. **Amount.** The monthly rental beginning **January 10, 2015** thru **February 28, 2015** shall be **Twelve Thousand Dollars (\$12,000)** per month for all succeeding months beginning **March 1, 2015** thru **April 30, 2016**; the rental rate paid monthly will be **Fourteen Thousand Five hundred Dollars (\$14,500)** [Per month, due and payable in full on the 1<sup>ST</sup> day of each month, commencing on **January 10, 2015**. The rental for any partial monthly period shall not be pro-rated.

The total payment in rent due for the term of this initial 4 month agreement and the 12-month extended agreement will be **\$226,000.00**.

b. **Payment.** Rent shall be payable to Landlord at the following address:

**Villa Fratelli Cresta - Attn. Villa General Manager**  
**P.O. Box 308771, St. Thomas US Virgin Islands 00802**

- c. **Late Returned Checks.** If any rent check is returned to Landlord by bank for any reason, Landlord may, at his option, require that all future rent payments be made by money order or certified check. Tenant agrees to pay a penalty of fifty (\$50.00) US Dollars for each returned item given by Tenant to Landlord. Landlord shall have no obligation to re-deposit any item returned by bank. In addition to the foregoing penalties, Landlord may elect to terminate this Lease for nonpayment of rent. Landlord shall notify tenant of late rent and returned check charges and the same must be paid within five (5) days.
  
- d. **Additionally Billed Items:** For all additionally billed charges over and above the monthly rental, fees noted in section 4a above. Such charges for utilities and/or services requested and provided by Villa Fratelli Cresta to Renter or tenant will be billed monthly to WICO. An administrative fee will be added of 25% to all additionally billed items submitted by Villa Fratelli Cresta. Examples of additional billed items might include, but are not limited to the following: WAPA, Cable TV, Telephone, Internet WIFI and Housekeeping Services.
  
- f. **Rent Increases.** If this Rental Agreement creates or results in a month-to-month tenancy, then Landlord may increase the rental upon thirty (30) days written notice to Tenant.
  
- g. **Other Terms:** It is understood by the "Tenant" or Lessee that (he or she) is leasing a full villa of 7-Bedrooms designed for the short term rental market. The Villa was recently built with completed construction at year's end with occupancy certificate awarded in December 2014. Rentals for this Villa will be based on this following additional terms and conditions that will apply as noted below;
  
- h. **Specialty Contractors:** The Tenant is aware and has been notified that Individual specialty contractors may need to access the Villa Unit specifically within the first 60-days with prior notification to the Lead Security or their designee to complete installations or final finish elements of the overall Villa. A list of contractor License Tags & Names will be provided for Security. Including but not limited to: the AC Contractor, Gate Security Contractor, Landscaping Contractor, Electrical Contractor, Plumbing Contractor, Pool Contractor and or Interior Design Contractor, Villa Housekeeper & Villa General Manager.
  
- i. **Photo Shoot:** The Renter or Lessee is aware and has been notified that a full extensive "Interior and Exterior Photo Shoot" has been recently completed for this Villa with the exception of one element required to complete the contract for services with the Photographer. Completing this contract will require a drone or aerial photography of the Villa to be shot for inclusion in the Website. Access to the exterior for staging and cleaning of decks and roadway, landscaping, trash removal etc. and the air space above and or around the Villa will be required for this day. Prior notification will be made to the Villa Occupants and disruptions will be at a minimum to the "renter". Once a date is selected the Lead Security will be notified in advance when the aerial photo shoot is scheduled to be complete. This shoot will be fully escorted and supervised by the Villa General Manager
  
- j. **Event Insurance:** The Renter or Lessee is aware that the Villa Fratelli Cresta is capable of being the host location for Specialty Parties & Events. In the case of a Party or Event booking planned or made by the renter or his designee for this Villa during the term of the lease, the renter must obtain event insurance for said event or events planned naming Villa Fratelli Cresta as additional insured for the event location specified.

- k. **Villa Website & Villa Marketing:** Villa Website & ongoing other Marketing for Future Short Term Rentals – During the period of the extended annual rental, the Villa General Manager will develop a comprehensive website and complete contracting and begin Marketing the Villa for the 2016-2017 Season and beyond. During the period of the lease the Villa will simply be listed as not available or occupied.

Prior to during at the time of launch, no reference will be made to the actual renter/ occupant by name for security purposes until after the lease expires and the renter relocates. At that time the Landlord, Villa General Manager or their designee of Villa Fratelli Cresta reserves the right to indicate on the website or thru other marketing the occupant's position and name.

5. **UTILITIES.**

- a. **Payment.** Utilities shall be paid for by Tenant to Landlord as indicated on the following chart:  
(Note: All Numbers provided are monthly ranges based on the first four months of occupancy)

| Electric  | Water/<br>Sewer | Cable/Satellite<br>Phone / Internet                | Housekeeping   | Landscaping | Pool Service<br>Maintenance | Parking /<br>Security             |
|---|-----------------|--|--|-------------|-----------------------------|-----------------------------------|
| Yes   | Yes             | Yes  | YES  | No          | No                          | Yes                               |
| \$1200 to \$1600<br>P/mnth based<br>on # guests |                 | \$350 - \$500<br>p/mnth based on<br>usage patterns | \$4200 - \$5700<br>p/mnth based<br>on number of<br>guest stays |             |                             | Security<br>Provided<br>by Tenant |

- **WATER.** All Cisterns are currently full with the capacity of over 85,000 gallons of fresh water. There is also a grey water cistern used for landscaping with the capacity of over 25,000 gallons. If fresh water runs out for any reason during the term of the lease, additional water may be secured by calling Villa Manager, the cost of additional water purchased will be billed to Renter separately.
- **ELECTRIC.** The Owner currently receives Electric bill from WAPA (Water & Power Authority). The renter has requested the WAPA billing may remain in control of the landlord with a monthly billing created for Tenant based on usage.
- **PHONE/Cable/Internet/WIFI.** The landlord currently receives phone, cable and Internet WIFI billing from Innovative. This account can remain in control of the owner and monthly charges billed back to WICO. Villa is equipped with 12 cable hookups and 3 phone lines with separate numbers plus internet/WIFI access throughout.
- **GATED SECURITY.** Villa Fratelli Cresta has gated security a code and or access will be given to Renter at time of key turnover. If key or device is lost and need to be remade an additional fee of \$50 per devise fee will apply for replacement. If the keys are lost to the Villa and locking mechanism is required to be changed at a cost of a minimum of \$50 or the Locksmith fee (whichever is greater). Such cost will be levied to the renter based on service required.
- **KEYS:** Keys Distributed to Renter are as follows: Villa #1 – (2) Complete Sets for Front Entry Door, Rear Entry Door and Fitness Center, Villa #2 – (2) Complete Sets for Front Entry Door, Rear Entry Door and Upstairs Patio Entry Door and Fitness Center. Villa #3 – (2) Complete Sets for Front Entry Door, Rear Entry Door and Fitness Center, Plus (2) Electronic Gate Controls for Front & Rear Electronic Gate Access.



- **PARKING.** Included in Monthly Rental is extensive off-street parking. There is extensive complementary parking space available at the Villa. Existing gated security access (2) electric vehicle gates, additional fencing with connecting pedestrian gates to adjoining properties. The property currently has a security system with existing cameras and other equipment installed. These existing security elements which are in place at the time of rental agreement signature are to remain as a part of the Villa. Enhancements may be added as needed to enhance security for the Villa guests, once confirmed with the Owner and or Villa General Manager. The cost of installing and or removable will be negotiated at the time of request made to such owner.
- **MAINTENANCE.** If there are any maintenance issues, please call Villa General Manager and he will contact the appropriate contractors to facilitate and complete any needed maintenance. Access to the Villa will be coordinated with the Lead Security. Maintenance cost for ongoing general maintenance items will be handled by VFC, breakage or damage by tenant will be billed to GVI.
- **GENERATOR:** A backup generator is installed next door in the owner's residence, in the event of a power loss the Generator is designed to provide back-up power for both the Owner Residence and Villa Fratelli Cresta. The properties electric gates also have a 6-hour backup in the event of a power failure for egress and ingress.
- **HOUSEKEEPING SERVICES:** A housekeeper is currently hired by VFC to provide services as needed for the Villa Fratelli Cresta guests. These contracted services are additional to the monthly rental and may be arranged thru the Villa General Manager for a fee, and billed to tenant as additional billing, daily service in 3-BR is billed at \$137.00 p/day, in each 2-Bedroom Unit the rate is \$95.00 p/day for the initial 16 month rental period. As invited guests check-in and check-out the cleaning fee for Villa #1 & #3 billed on checkout is \$245.00 per unit per departure. Rates are available upon request based on desired service frequency. Please confirm any changes to existing services requested and in place which include the following: Daily Service for Villa #3, exterior pool deck/terrace, upstairs terrace and fitness center. Guest Daily Housekeeping service is provided based on guests' arrival and departure patterns in Villa #1 & Villa #3. Additional types of service may be arranged upon request. IE: daily, once a week, twice weekly, bi-weekly or monthly by contacting the VFC General Manager. (Rate Schedule has been provided to Renter).
- **LANDSCAPING.** A Landscaping Contract is maintained for the property by the Owner. Ongoing landscaping services will be handled by VFC during the term of this lease.
- **POOL / HOT-TUB.** If there is any pool or hot-tub issues please call Villa General Manager and he will contact the appropriate contractors to facilitate and complete pool or hot-tub maintenance. Please note there is a monthly contract in place for pool / hot tub maintenance. Pool-hot Tub Rules apply.
- **FITNESS CENTER.** If there is any maintenance issues please call Villa General Manager and he will contact the appropriate contractors to facilitate and complete maintenance on Fitness Equipment.
- **PHYSICAL FACILITY.** The Villa, both interior and exterior is rented furnished as is, all furnishing are new and in good condition at time of rental, all appliances are newly installed.
- **AIR CONDITIONING UNITS / CEILING FANS.** Landlord agrees to provide a/c units and ceiling fans in good and working condition. Tenant agrees to provide general care and maintenance of said a/c units and ceiling fans and their respective remote control hand-sets.

- **SEPTIC.** Property is on a septic system. Landlord agrees to maintain said system. However, in the event a clogging of the system should occur, and it is determined that it is due to the Tenant's misuse, it is understood that Tenant shall be liable for any damage caused by Tenant's misuse.

**6. FUNDS TO BE RECEIVED.**

a. **Rents and Deposits.** Landlord acknowledges receipt of rents and deposits as follows:

|  |   | \$ Amount     | Date Received |
|--|---|---------------|---------------|
| Paid by Tenant at execution of Rental Agreement  | Existing Current Billing As Submitted to WICO - Note: Billing includes rent due thru January 10-April 30, 2015, but additional billed expenses only thru 3-31-15. | 71,460.37     |               |
| Paid by Tenant at execution of Rental Agreement  | First month's rent on ext. lease (May 2015)   | \$ 14,500.00  |               |
| Paid by Tenant at execution of Rental Agreement  | Last month's pre-paid rent (April 2016)   | \$ 14,500.00  |               |
| Paid by Tenant at execution of Rental Agreement  | Security/Damage/ Deposit refundable following final inspection to WICO.   | \$ 14,500.00  |               |
|  |   |               |               |
| Interruptions in utility service shall not entitle the tenant to any abatement or reduction of rent no shall it constitute a constructive eviction of tenant | Total   | \$ 114,960.37 |               |

b. **Application of Prepaid Rents and Security/Damage Deposit.** The Security/Damage Deposit may be applied to secure the terms of this Rental Agreement, including, but not limited to unpaid rent, late fees, NSF charges, utilities, and to repair all physical damages, breakage or loss to the premises or property caused by Tenant, a family member, invitee, licensee, or any person acting under Tenant's control, beyond normal wear and tear. At any time, the Landlord shall be entitled to cure any default of the Tenant, or reimburse the Landlord for expenses incurred by the Landlord arising out of any such default by deducting such expenses from the Security/Damage Deposit. The Tenant agrees to immediately upon notice by the Landlord redeposit any such amount of the Security/Damage Deposit, so that the Security/Damage Deposit again equals the amount of the original Security/Damage Deposit. Under no circumstances is this money to be considered or used as rent payment by the Tenant. In the event that the Security/Damage Deposit is used as rent payment, it will be considered a material breach of this Rental Agreement. In such an event, it will be considered a material breach of this Rental Agreement and the Tenant will be charged a fee of TWO-HUNDRED-FIFTY DOLLARS (\$250.00) which will be deducted from the Security/Damage Deposit funds.

c. **Termination/Tenant Breaking Rental Agreement.** In the event that the Tenant shall become in default in the payment of the rent provided for herein, for a period of five (15) days or more, or shall break or violate any of the terms, conditions, or covenants of this Agreement, the Landlord shall have the option (a) to terminate this Agreement, and evict the Tenant, or (b) continue this Agreement in effect and sublet



the premises on the Tenant's behalf, on the best terms and conditions available, including rental, and if such rental is less than is due hereunder, charge such difference to the Tenant, including all costs associated with securing a new qualified tenant.

Tenant's Security/Damage Deposit shall be held until Tenant is no longer responsible under the terms of this Agreement. The Landlord shall give the Tenant three (3) days' written notice of its election of options, and the Tenant agrees with the Landlord that, upon receipt of such notice, the Tenant will forthwith peaceably and quietly vacate the Leased Premises and return possession thereof to the Landlord.

Should the Landlord be compelled to commence or sustain an action to collect the rental or part thereof, or to dispossess the Tenant, or to recover possession of the Leased Premises, the Tenant shall pay all costs in connection therewith, including a reasonable fee for the attorney of the Landlord.

Should the Landlord terminate this Agreement for default, Landlord may, in addition to any other remedy Landlord may have, recover from the Tenant all damages it may incur by reason of such breach, including the unpaid rent through the end of the Agreement term and the Landlord or Landlord's Agent may enter the premises and remove any and all personal effects of the Tenant and may dispose of the property.

- d. **Reimbursement of Landlord.** Tenant shall reimburse Landlord for any damages or loss, including leasing fees, advertising, or any other costs incurred by Landlord because of Tenant's failure to comply with a material term or condition of this Rental Agreement or a material obligation in accordance with all statutes, ordinances and requirement of all municipal, Territorial and Federal Authorities now in force, or which may hereafter be in force, pertaining to the use of the premises.
- e. **Condition of Premises at End of Tenancy.** Tenant shall restore the premises, to their original condition at the beginning of the tenancy, except for normal wear and tear. If applicable, Tenant also agrees to have all carpets professionally cleaned, at Tenant's expense, upon vacating the premises and a receipt for said professional cleaning shall be provided to Landlord.
- f. **Custodian of Deposits.** The deposit shall be at the following depository: Scotia Bank with Villa Account holder.
- g. **Statement upon Withholding of Refund.** Within 45 days after Tenant vacates or Landlord learns that Tenant has abandoned the premises, Landlord shall either return Tenant's deposits or else give Tenant a full and specific written statement of the basis for retaining any portion of the deposits, together with payment of any refund due. No deductions shall be made for normal wear and tear to the premises resulting from ordinary use.
- h. **Nonrefundable Fees.** Tenant has paid to Landlord a fee for the items listed below, and Tenant acknowledges that this sum is nonrefundable:

|                          |    |
|--------------------------|----|
| Cleaning Fee             | \$ |
| Pet Fee                  |    |
| Other Fee                |    |
| Total Nonrefundable Fees | \$ |
|                          |    |

**7. LANDLORD'S DUTY TO REPAIR AND MAINTAIN PREMISES.**

- a. **Warranty of Fitness.** Landlord warrants that the premises are fit for human habitation and that Landlord will comply with all statutes, ordinances and requirement of all municipal, Territorial and Federal Authorities now in force pertaining to the use of the premises the maintenance and repair of the premises.
- b. **Landlord's Duty.** The Landlord agrees that Landlord will, at Landlord's own cost and expense, promptly carry out or cause to be carried out, all repairs that may be necessary or convenient to the continued use of the leased premises, including structural, plumbing, electrical, and appliance repairs. Any damage to the structure, fixtures, appliances, plumbing or electrical systems caused by the negligence or misuse of the Tenant shall be promptly repaired by the Tenant at Tenant's expense.
- c. In the event that the Tenant fails to make repairs, the Landlord shall have the right to have the necessary work done and the Tenant shall be held responsible for the incurred expenses. The Tenant further agrees to give the Landlord or the Landlord's Agent immediate notice of any defects or breakage in the structure, equipment, or fixtures on the leased premises. The Landlord and the Landlord's Agent and employees shall have the right to enter into and upon the premises, or any part thereof, at reasonable hours and with prior notification to the Tenant, for the purpose of making necessary repairs. However, the Landlord shall be under no obligation to furnish any decorations, painting, cleaning, or refurbishing services to the leased property during the term of this Rental Agreement.

**Notice of Need for Repairs.** Tenant shall immediately notify Villa General Manager of any needed repairs by sending written notice by email or regular mail to the following address: email: [randykdoty@gmail.com](mailto:randykdoty@gmail.com) or C: 340.514.9441 or Villa Fratelli Cresta – Attn: Villa General Manager P.O. Box 30877, St. Thomas, US Virgin Islands 00803.

- d. **Repairs by Landlord.** The Tenant agrees that no warranty or representations concerning the condition of the premises have been made, and that the Tenant is renting the premises "As Is". It is agreed between Landlord and Tenant that Landlord shall complete the following repairs:

| REPAIR | COMPLETION DATE |
|--------|-----------------|
|        |                 |
|        |                 |

- e. **Landlord's Insurance.** Landlord shall maintain hazard insurance and liability insurance upon the premises in accordance with the requirements of the Landlord's mortgage loan. Tenant shall maintain such insurance on the Tenant's personal property, contents for any damage protection as the Tenant may desire. Should the occupancy of the leased premises by the Tenant cause the present fire or other hazard insurance rates applicable thereto to be increased, the Tenant shall pay the difference upon the amount of fire or other hazard insurance now being carried by the Landlord, and the difference shall be in addition to the amount of rent specified herein and shall be paid to the Landlord upon demand.

**8. TENANT'S DUTY TO MAINTAIN PREMISES.**

- a. **Tenants Duty:** Tenant or Renter agrees to perform routine maintenance and cleaning of leased premises, furnishing and fixtures, and keep and maintain them in good condition throughout the term of the rental agreement. All garbage and trash must be placed in suitable containers and disposed of by the Tenant or Renter. An open bid receptacles are located in nearby Red hook. Tenant is responsible for any damage to

premises caused by any negligence on the part of the Tenant and any repairs made necessary due to such negligent acts of commission or omission by the Tenant, his family, guests, employees or pets shall be paid for by the Tenant, but Tenant shall not order repairs on or about the premises, without the prior approval of Villa General Manager or Landlord.

- b. **Tenant's Liability for Damage.** The Tenant shall accept full responsibility for any injury or damage to the person or property of the Tenant, the Tenant's family members, invitees, licensee or any person acting under Tenant's control that may occur during the period of occupancy, and agrees to hold harmless and indemnify the Landlord, and Landlord's Agents, in such event.

It is further understood that the Landlord shall not be liable for any loss or damage of property of the Tenant that is caused by fire, theft, exposure to elements, rain or water that may leak into or flow from any part of the property through any defects in the roof or plumbing or from any other source whatsoever. It is further understood that Tenant shall be liable for any damage to the premises caused by Tenant's acts or neglect or any damage that Tenant permits to be caused by a family member, invitee, licensee, or any person acting under Tenant's control.

- c. **Maintenance by Tenant.** Tenant agrees to perform the following routine maintenance as below:

| MAINTENANCE   | SCHEDULE TIMES |
|---|----------------|
| Maintain interior & exterior in same condition as received, as noted in the Move-In Condition Report. |                |
| Floors cleaned by a professional company upon vacating of premises. Provide receipt.                  |                |
|   |                |

In the event Tenant fails to perform the above-described items, then Landlord may declare Tenant to be in default under this Rental Agreement, or, at Landlord's sole discretion, cause such maintenance to be done and charge Tenant the cost of such maintenance.

- 9. **ALTERATIONS.** No substantial alterations, additions, or improvements shall be made by Tenant without the prior written consent of Landlord. Nor will Tenant remove or relocate any plants or trees during the term of this Rental Agreement.
- 10. **ENTRY BY LANDLORD.** Landlord or Villa General Manager shall give Tenant at least 24 hours advance notice before entering the rented portion of the premises for purposes of inspecting the premises of 2Y-18 Estate Nazareth, making repairs or improvements, supplying necessary or agreed services; and 24-hours advance notice for the purposes of showing the premises to prospective or actual purchasers, mortgagees, tenants, workers or contractors. Villa General Manager or Owner need give no advance notice to Tenant before entering the premises in the case of an emergency. Tenant shall not unreasonably withhold consent to Landlord's entry. Except in the case of an emergency, Villa General Manager or Owner shall enter only at reasonable times. Tenant give the landlord permission to enter the property and take precautionary measures to protect the premises from windstorm or water damage in the event that the US Virgin Islands comes under a Tropical Storm or Hurricane Watch or Warning during the term of this rental agreement.
- 11. **SUBLETTING OR ASSIGNMENT.** Tenant shall not assign this Rental Agreement or sublet the whole or any part of the premises without the prior written consent of Landlord. All expenses, including a Two-Hundred-Fifty (\$250.00) US Dollars review fee, & tenant screening fees, will be borne by existing Tenant.

12. **DESTRUCTION OF PREMISES.** If the premises are rendered uninhabitable by reason of fire, earthquake, windstorm, Act of God, or other causes, either party may terminate this Rental Agreement; in which case no rental shall be due thereafter. The Tenant shall be reimbursed by the Landlord for any advance rentals paid on a pro rata basis and deposits shall be returned as provided in Section 6, unless the damage or destruction is caused by the negligence of the Tenant, Tenant's guests, servants, or agents, in which case all sums paid as rent and Security/Damage Deposit shall be forfeited to the Landlord as liquidated damages.

13. **NOTICE OF TERMINATION.**

a. **Notice.** Except as provided in Subsection (b) below, either party may terminate this Rental Agreement by giving the other party written notice at least 90 days before the end of the rental term stated in Section 3(a) If tenant or renter does not give timely written notice of termination, this Rental Agreement will revert to a Month-to-Month tenancy, to which all terms and conditions of this Rental Agreement shall apply.

IF TENANT FAILS TO GIVE TIMELY NOTICE OF TERMINATION, TENANT WILL BE OBLIGATED TO PAY RENT THE FOLLOWING MONTH.

For example, if a notice of termination is given on the 15<sup>th</sup> day of a rental month, Tenant will be obligated to pay for the entire next month. The day on which the notice is given shall not be counted as part of the notice period. It is expressly understood and agreed that the Landlord is under no obligation to extend the term of this Rental Agreement beyond the end of the originally stated term.

b. **Termination upon Sale of Property.** Should the property be sold, Villa General Manager or Owner will have the option, but not the obligation, to cancel the present lease with 90 days written notice. Tenant shall not be entitled to any compensation or damage for such early termination.

14. **SERVICE OF NOTICES.**

a. **Notice to Landlord.** All notices required by this Rental Agreement and applicable Territorial or local law to be served by Tenant upon Villa General Manager on behalf of the Owner and shall be emailed to the email address listed above or mailed to the following address:

P. O. Box 308771, St. Thomas, US Virgin Islands 00803

c. **Notice to Tenant.** Notice to Tenant shall be served on Tenant as required by applicable statute Or ordinance. Any notice for which no statute or ordinance specifies a particular method of service may be given either by delivering personally into the hands of Tenant; depositing in the mail, directed to the Tenant at the above referenced real property address; or by posting in a prominent place at the real property address.

15. **VACATING THE PREMISES.** Upon terminating this Rental Agreement, Tenant shall peaceably and quietly vacate the premises, return all keys to Landlord, remove all personal property and belongings of Tenant, and leave the premises in good order and in the same condition as Tenant found them except for normal wear and tear.

16. **ENTIRE RENTAL AGREEMENT.** This Rental Agreement constitutes the entire agreement of the parties regarding the subject matter of the same and shall be binding upon, and shall inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns of the Landlord & the Tenant.

17. **ENFORCEMENT COSTS.** The Tenant hereby agrees to pay all costs, expenses, fees and other charges incurred by the Landlord in enforcing, by legal action or otherwise, any of the provisions, covenants, and conditions of the Rental Agreement, including such attorney's fees as may be recoverable by law.
18. **WAIVER OF SUBROGATION.** Landlord and Tenant hereby release and waive, for the duration of this Rental Agreement and any extension or renewal thereof, their respective rights of recovery against each other for any loss resulting from perils of fire and/or extended coverage as defined in fire insurance policies issued to either Landlord or Tenant in effect at the time of the loss. Provided that such waiver and release shall apply only in the event such agreement does not prejudice the insurance afforded by such policies
19. **NO WAIVER BY LANDLORD.** Acceptance of rent by the Villa General Manager on behalf of the Owner after knowledge of any breach by the Tenant of the covenants, conditions, rules and regulations herein, or any of them, or failure of the Villa General Manager or Owner's Agent to insist upon the strict performance of any of the covenants or conditions of this Rental Agreement, or suffering the Tenant to remain in possession thereafter, or failure by the Landlord to exercise any option conferred in any one or more instances shall not be construed as a waiver or relinquishment for future violations of any such covenants, conditions, rules, regulations or options, or of any breach of them, but the same shall remain in full force and effect, unless such waiver be in writing and signed by the Landlord or Landlord's Agent.
20. **LANDLORD'S or OWNERS REPRESENTATIVE.** Owner may elect to name a local representative to exercise all his rights and commitments as indicated in this Rental Agreement, included, but not limited to, enforcing house rules, maintaining and fixing the premises as required, occupancy of the premises. For Villa Fratelli Cresta – Owners Representative is Villa General Manager – Randall K. Doty.
21. **SIGNATURE.** The undersigned parties acknowledge that they have read this Rental Agreement and will comply with its terms.

DATE: \_\_\_\_\_, 2015 \_\_\_\_.

\_\_\_\_\_  
Owner / Landlord

\_\_\_\_\_  
Tenant

\_\_\_\_\_  
Villa General Manager / Agent

\_\_\_\_\_  
West Indian Company Limited

**Attachments:**

- VFC Villa Rental Guest Rules & Regulations
- Inventory Available on Request

## Villa Fratelli Cresta "RULES"

**KEYS.** The Villa General Manager and/or Owner/Landlord shall retain keys to the leased premises. The Tenant shall not alter any lock or install any new lock on the premises without the prior written consent of the Landlord. In case such consent is given, the Tenant at the Tenant's cost shall provide the Landlord with an additional key or keys for the use of the Landlord, pursuant to the Landlord's right of access to the premises. All keys are to be returned to the Landlord when vacating the premises. In the event that all keys are not returned at that time, the Landlord may, in the event the Landlord deems it necessary for security reasons, have a new lock or locks installed, and the cost of such installation and the making of keys shall be at the cost of the Tenant.

**GARBAGE.** Tenant shall be responsible for the disposal of his/her own garbage. And shall not allow garbage and refuse to collect on the premises or to be left outside.

**ILLEGAL USE.** Tenant shall not use the property for any illegal purposes.

**REPAIRS.** Tenant shall promptly notify Villa General Manager for repair, at Tenant's expense, any broken glass in doors or windows.

**DRAINS.** Tenant shall relieve stoppage of drains at Tenant's expense unless resulting from a condition existing at the time of Tenant occupancy. Please notify Villa General Manager should problem persist.

**NAILS/PAINTING.** Tenant shall not drive any nails or screws into walls, and shall not paint anything, without the prior written consent of the Landlord or Agent.

**NOISE/NUISANCE.** TV, music, and musical instrument volumes shall be kept low enough so that no noise whatsoever shall escape from the property. Tenant shall not create or permit any other nuisance on the property nor operate any noisy tools or appliances before 8:00 a.m. and after 9:00 p.m.

**GUESTS.** Tenant is responsible for Tenant's guests complying with the Rules.

**VEHICLES.** Recreation vehicles, trailers, boats, and inoperable or unlicensed automobiles, may not be parked or stored on the property, on or in any parking area provided for the property, or on any street or alley servicing the property. Repairs to any vehicles in these locations must be completed and the area cleaned up within 24 hours of commencement. Tenant will be responsible for any damage to the area in which any repairs are made, including any stains on the concrete or paved areas.

**HALLWAYS, VERANDAS, COURT YARDS, AND COMMON AREAS.** If there are hallways, verandas, courtyards, pool terrace, fitness center, roadway or common areas shared with other Tenants, noise shall be kept to a minimum therein and nothing may be stored, even temporarily, in any of these areas.

**WATERBEDS/PIANOS AND HEAVY OBJECTS.** No waterbeds, aquariums, pianos, organs, libraries or other unusually heavy objects are permitted in the property without Villa General Manager / Owners' written permission. As a condition to permitting such heavy objects, Owner may require Tenant to provide and pay for additional insurance.

**SMOKE DETECTORS.** It is the Tenant's responsibility to maintain any smoke detection device installed in the property in accordance with the manufacturer's recommendations, including providing replacement batteries as required.



**THE WEST INDIAN COMPANY, LIMITED  
BOARD OF DIRECTORS**

**RESOLUTION TO PROVIDE A TEMPORARY RESIDENCE  
TO THE HONORABLE KENNETH E. MAPP**

**WHEREAS**, The West Indian Company, Limited ("WICO") and the Government of the Virgin Islands, Office of the Governor, ("GVI") are parties to Lease Agreement No. T11-254, for a period of one year, commencing December 15, 1993 and ending December 14, 1994, for the following described premises:

"Denmark Hill"  
Remainder of Estate Catherineberg  
No. 8 Great Northside Quarter  
St. Thomas, USVI  
Consisting of 6.23 acres, more or less,  
as shown on PWD Map No. D9-3470-T86

**WHEREAS**, the leased premises at Estate Catherineberg also includes appliances, furniture, and fixtures listed on an inventory sheet attached to Lease Agreement No. T11-254 as "Exhibit A."

**WHEREAS**, the annual rent for the leased premises at Estate Catherineberg is One Dollar and No Cents (\$1.00). GVI is responsible for all expenses incurred in the use of the leased premises, including but not limited to security and service bills, water, electricity, telephone, cooking gas, generator repairs and all other utilities.

**WHEREAS**, Lease Agreement No. T11-254 automatically renewed from year to year and neither party has given written notice to the other of non-renewal.

**WHEREAS**, the leased premises at Estate Catherineberg has traditionally been used as the official residence of the sitting governor of the Virgin Islands.

**WHEREAS**, the leased premises at Estate Catherineberg were not used as the official residence of the Honorable John P. deJongh, Jr. during his service as Governor of the Virgin Islands from 2006 to 2014.

**WHEREAS**, the leased premises at Estate Catherineberg are unsuitable for residential dwelling, as confirmed in an environmental assessment conducted prior to former Governor deJongh's first term in office.

**EXHIBIT D**

WHEREAS, GVI entered into a short-term rental contract (hereinafter "Contract") effective January 10, 2015 with Mr. Jimez Ashby, Sr., for the following fully- furnished described premises:

"Villa Fratelli Cresta"  
Villa Unit # V2  
2Y-18 Estate Nazareth  
St. Thomas, Virgin Islands 00802

WHEREAS, under the Contract, GVI agreed to pay rent of Twelve Thousand Dollars and No Cents (\$12,000.00) for January and February 2015, and thereafter pay rent in the amount of Fourteen Thousand Five Hundred Dollars and No Cents (\$14,500.00) beginning March 1, 2015. GVI also agreed to pay all expenses incurred in the occupancy of the premises, including but not limited to electricity, cable, television, telephone, internet and other related rental services.

WHEREAS, the Honorable Kenneth E. Mapp is residing at Villa Fratelli Cresta since January 10, 2015.

WHEREAS, at the meeting of the Board of Directors on April 14, 2015, the following resolutions were proposed and approved:

RESOLVED, the Board of Directors approves a contract, to not exceed an amount approved periodically by the board, to provide a temporary residence to Governor Kenneth E. Mapp and approves the Contract submitted for the occupancy of Villa Fratelli Cresta beginning January 10, 2015.

RESOLVED, the costs incurred by WICO, as approved by the Board of Directors, in providing a temporary residence for the Governor of the Virgin Islands shall offset any liability of WICO to GVI for incurred payments- in- lieu of taxes.

Dated:

05/14/15

The West Indian Company, Limited  
Board of Directors

By:

  
Randolph H. Knight, Chairman



THE WEST INDIAN COMPANY, LIMITED  
BOARD OF DIRECTORS

RESOLUTION TO PROVIDE A TEMPORARY RESIDENCE FOR  
THE HONORABLE  
KENNETH E. MAPP, GOVERNOR OF THE VIRGIN ISLANDS

WHEREAS, The West Indian Company, Limited ("WICO") and the Government of the Virgin Islands, Office of the Governor, ("GVI") are parties to Lease Agreement No. T 11-254, for a period of one year, commencing December 15, 1993 and ending December 14, 1994, for the following described premises:

"Denmark Hill"  
Remainder of Estate Catherineberg No. 8  
Great Northside Quarter  
St. Thomas, USVI  
Consisting of 6.23 acres, more or less,  
as shown on PWD Map No. D9-3470-T86

WHEREAS, the leased premises at Estate Catherineberg also includes appliances, furniture, and fixtures listed on an inventory sheet attached to Lease Agreement No. TI 1-254 as "Exhibit A."

WHEREAS, the annual rent for the leased premises at Estate Catherineberg is One Dollar and No Cents (\$1.00). GVI is responsible for all expenses incurred in the use of the leased premises, including, but not limited to, security and service bills, water, electricity, telephone, cooking gas, generator repairs and all other utilities.

WHEREAS, Lease Agreement No. TI 1-254 automatically renewed from year to year and neither party has given written notice to the other of non-renewal.

WHEREAS, the leased premises at Estate Catherineberg have traditionally been used as the official residence of the sitting governor of the Virgin Islands.

WHEREAS, the leased premises were occupied by the Honorable Charles W. Turnbull during his two (2) year tenure. The Governor became ill during his tenure due to the mold, mildew and related conditions of the property and was forced to vacate for a period of six (6) months, during which time WICO assumed the expenses of a temporary residence at Montana House, a private home, amounting to approximately Forty-Two Thousand Dollars (\$42,000).

WHEREAS, the leased premises at Estate Catherineberg are unsuitable for use as a residential dwelling, as confirmed in two environmental assessments; the first conducted prior to former Governor deJongh's first term in office and the second conducted in 2015 by William Taylor, AIA.

WHEREAS, no capital expenditure to cure the environmentally hazardous conditions was made since those assessments.

WHEREAS, the Revised Organic Act of 1954, §11 provides that the "Governor shall maintain his official residence in the Government House on Saint Thomas during his incumbency..." This provision is directly related to the fact that the Revised Organic Act, §2(b) identifies "The capital and seat of government of the Virgin Islands shall be located at the City of Charlotte Amalie, in the island of Saint Thomas."

WHEREAS, GVI entered into a verbal short-term rental contract (hereinafter "Contract") effective January 10, 2015 with Mr. Jimez Ashby, Sr. (hereinafter "landlord"), for the following fully-furnished described premises:

EXHIBIT E

THE WEST INDIAN COMPANY, LIMITED BOARD OF DIRECTORS  
RESOLUTION TO PROVIDE A TEMPORARY RESIDENCE FOR THE HONORABLE KENNETH E. MAPP  
Page 2

"Villa Fratelli Cresta" Villa Unit  
#V2  
2Y-18 Estate Nazareth  
St. Thomas, Virgin Islands 00802

WHEREAS, under the Contract, GVI verbally agreed to pay rent of Twelve Thousand and 00/100 Dollars (\$12,000.00) for January and February 2015, and thereafter pay rent in the amount of Fourteen Thousand Five Hundred Dollars and No Cents (\$14,500.00) beginning March 1, 2015. GVI also verbally agreed to pay all expenses incurred in the occupancy of the premises, including but not limited to electricity, cable, television, telephone, internet and other related rental services.

WHEREAS, negotiations between WICO and the landlord resulted in a payment of Twelve Thousand Five Hundred Dollars (\$12,500) per month inclusive of all expenses.

WHEREAS, the Honorable Kenneth E. Mapp, Governor of the Virgin Islands resided at Villa Fratelli Cresta between January 10, 2015 and May 31, 2015.

WHEREAS, at the meeting of the Board of Directors on April 14, 2015, the following resolutions were proposed and approved:

RESOLVED, the Board of Directors approves a contract, to not exceed an amount approved periodically by the board, to provide a temporary residence to Governor Kenneth E. Mapp and approves the Contract submitted for the occupancy of Villa Fratelli Cresta beginning January 10, 2015.

RESOLVED, the costs incurred by WICO, as approved by the Board of Directors, in providing a temporary residence for the Governor of the Virgin Islands shall offset any liability of WICO to GVI for incurred payments-in-lieu of taxes.

WHEREAS, at the meeting of the Board of Directors held on June 9, 2015, the foregoing resolutions were rescinded and the following were proposed and approved:

RESOLVED, the Board hereby rescinds the foregoing two (2) resolutions.

RESOLVED, the Board of Directors approves the payment of Twelve Thousand Five Hundred Dollars (\$12,500) per month inclusive of all expenses made to landlord of Villa Fratelli Cresta to provide a temporary residence to Governor Kenneth E. Mapp.

Dated: June 9, 2015

The West Indian Company, Limited  
Board of Directors

By   
Randolph H. Knight, Chair

THE WEST INDIAN COMPANY LIMITED

101919

| DATE      | INVOICE NO | COMMENT                           | AMOUNT     | DISCOUNT | NET AMOUNT |
|-----------|------------|-----------------------------------|------------|----------|------------|
| 5/15/2015 | 100051     | VFC STATEMENT # 5 / VFC-515 & 517 | 107,563.56 | 0.00     | 107,563.56 |

check: 101919

5/15/2015 Villa Fratelli Cresta

  
Signature

TOTAL

107,563.56

EXHIBIT F

6150

**Villa Fratelli Cresta**

Escrow Account  
2Y-18 Estate Nazareth  
P.O. Box 308771  
St. Thomas, USVI 00802  
P: 340 514 9441

101-605-216

DATE 6-4-15

PAY TO THE ORDER OF

West Indian Co. Ltd

\$ 45,036 <sup>56</sup>/<sub>100</sub>

forty Five Thousand and Thirty Six Dollars and 56/100

DOLLARS

Scotiabank  
The Bank Of Nova Scotia  
St. Thomas, US Virgin Islands 00801

FOR

REPAY OF ESCROW PAYMENTS

Jim Allen  
James Allen



⑈006150⑈ ⑆021606056⑆ 044 96012988⑈

EXHIBIT G



# Guest Folio - VFC 2

## VILLA FRATELLI CRESTA

Villa Unit # V2  
2Y-1B ESTATE NAZARETH  
St. Thomas, US Virgin Islands 00802

Check-In Date: 5/1/2015  
Check-Out Date: 5/31/2015  
Occupancy: 2A  
Unit # 2B  
Invoice #: VFC-617

Villa Manager - P. 340.514.9241 Email: ronald.klotz@vfc.com

TO: Attn: Joseph Boschulte - WICO Ltd.

Guest Name TBA  
Phone:  
cc: Rochelle Corneiro

Email:

| Qty  | Date        | Description                                   | Unit Price | Line Total |
|------|-------------|---|------------|------------|
| 1.00 |             |   | \$0.00     | \$0.00     |
|      |             | Villa Rental for Villa Fratelli Cresta - 2015 |            | -          |
| 1.00 | FRI 4-17-15 | 5th Month Rent - MAY 1-31 2015                | 12,500.00  | 12,500.00  |

Subtotal \$ 12,500.00  
Sales Tax  
Total \$ 12,500.00

Guest Name \_\_\_\_\_  
Guest Signature \_\_\_\_\_

I agree this statement of charges is correct at the time of check-out. I accept responsibility for all charges incurred as listed in the statement above by signing this document.  
Please make all checks payable to Villa Fratelli Cresta  
Thank you for your business & we look forward to your return!



# STATEMENT

## VILLA FRATELLI CRESTA

Villa Unit # V2  
 2Y-18 ESTATE NAZARETH  
 St. Thomas, US Virgin Islands 00802

Check-In Date: 1/11/2015  
 Check-Out Date: 5/31/2015  
 Occupancy 2A  
 Unit # 2B  
 Invoice # VFC-Statment #5  
 Todays Date: 6/2/2015  
 Email:

Villa Manager: P. 340 512 0348 Email: info@villafratelli.com

TO: Attn: Joseph Boschulte  
 Guest Name TBA  
 Phone:

| Qty  | Date        | Description                                    | Unit Price | Line Total   |
|--|-------------|--|------------|--------------|
| 1.00   |             |  | \$0.00     | \$0.00       |
| Statement of Charges for Villa Fratelli Cresta - January 11 - May 31, 2015 |             |  |            |              |
| 1.00   | SUN1-11-15  | VFC #600 1st Month Rental - JAN 11-31, 2015    | 12,500.00  | 12,500.00    |
| 1.00   | MON2-9-15   | VFC #604-2nd Month Rental - Feb 1-28, 2015     | 12,500.00  | 12,500.00    |
| 1.00   | SAT2-28-15  | VFC #609-3rd Month Rental - March 1-31, 2015   | 12,500.00  | 12,500.00    |
| 1.00   | MON3-23-15  | VFC #616 - 4th Month Rental - April 1-30, 2015 | 12,500.00  | 12,500.00    |
| 1.00   | FR1 4-17-15 | VFC #617 MAY Monthly Rental - May 1-31, 2015   | 12,500.00  | 12,500.00    |
|  |             |  | Subtotal   | \$ 62,500.00 |
|  |             |  | Sales Tax  |              |
|  |             |  | Total      | \$ 62,500.00 |
| 1.00   | TUE 6-2-15  | CK Payment Received WICO - Posted on Account   | 62,500.00  | 62,500.00    |
| Balance Due  |             |  | \$0.00     | \$0.00       |

This is Statement of charges for Villa Fratelli Cresta for the period as indicated.  
 Please make all checks payable to Villa Fratelli Cresta  
 Thank you for your business !

1                   SENATOR JACKSON: Okay. So that point  
2 illustrates some of my points I made this morning in  
3 reference to cost and the lack of due diligence, in fact,  
4 of making sure that this property stays in a healthy and  
5 pristine condition. Thank you very much, Mr. Chair.

6                   MR. BOSCHULTE: Let me just restate.  
7 Sorry, Senator, I just have a quick correction. One point  
8 two million in operating expenses, two point six in  
9 capital expenses.

10                  SENATOR JAMES: Thank you, Senator  
11 Jackson. Madam Clerk, we received correspondence from  
12 Jennifer Jones. You have a copy of that? Could you  
13 please read that into the record and state the date on the  
14 correspondence please.

15                  MS. DOWE: Letter dated July 8, 2015  
16 via e-mail. Honorable Neville James, 31st Legislature of  
17 the Virgin Islands, Capitol Building, P.O. Box 1690, St.  
18 Thomas Virgin Islands, 00804. Dear Honorable President  
19 James: This firm represents Mr. Jimez Ashby. On behalf  
20 of our client, we express appreciation for the invitation  
21 to testify at the hearing set for Thursday, July 9, 2015.  
22 We regret to inform you however that Mr. Ashby is  
23 currently off island attending a prior engagement outside  
24 of the territory and will not be able to attend the  
25 hearing, as all plans were made well in advance of his

1           **SENATOR JAMES:**           The first resolution was for  
2 WICO to pick up the payments to Villa Fratelli Cresta,  
3 correct?

4           **MR. WATSON:**           That is correct. It passed the  
5 parameters so that the CEO could further negotiate and  
6 look into. We authorized him to spend that maximum.

7           **SENATOR JAMES:**           Are you aware that the  
8 Governor's Office and the Governor said that originally  
9 payment for him staying at this property was coming out of  
10 the Governor's budget? Are you aware of that? We have  
11 proof and documentation to that affect that the Governor  
12 stated at the press conference in February that the cost  
13 was not four thousand but twelve thousand, five, and that  
14 it's coming out of the Governor's budget. Are you aware  
15 of that, Board Member Watson?

16           **MR. WATSON:**           I vaguely remember that.

17           **SENATOR JAMES:**           Vaguely remember, okay. And  
18 it is the inconsistency that has created this problem  
19 among other things. And I was hoping we'd have one  
20 meeting. But we're going to need another meeting, because  
21 the Governor's Office needs to place something on the  
22 record. We would have killed two birds with one stone had  
23 Mr. Knight showed up as invited, but I receive a letter  
24 from Attorney Adrienne Dudley.

25           Attorney, you're familiar with the June 2nd

## EXHIBIT T-2



1 correspondence you sent to my office?

2 ATTORNEY DUDLEY: Yes, sir.

3 SENATOR JAMES: Stating that he would be  
4 absent?

5 ATTORNEY DUDLEY: Yes, sir.

6 SENATOR JAMES: He'd be off island him and  
7 -- and Thomas?

8 ATTORNEY DUDLEY: Yes, sir.

9 SENATOR JAMES: Okay. That's the letter  
10 that created the problem in the newspaper. Where he is  
11 today? He's here, and he sent Board Member Watson. And  
12 the real question that needs to be asked, and I'm sure  
13 none of you will answer it, but I'm going to ask it anyway  
14 and you could refuse to answer it.

15 Was there Government House influence in the  
16 decision making of the WICO Board as it relates to the  
17 Governor staying at Villa Fratelli Cresta? That is the  
18 question, the pertinent question here today.

19 ATTORNEY DUDLEY: I will -- I will answer that  
20 question, Senator.

21 SENATOR JAMES: Please, counsel.

22 ATTORNEY DUDLEY: I don't think that question  
23 should be left unanswered. The Board of WICO received the  
24 document and made its independent debate, discussion, and  
25 review. First, it considered the history and precedent of

1 respect for the institution and I think that needs to be  
2 underscored. And I really believe and this is no reflection on  
3 you that the chairman of the board receiving a specific  
4 invitation to appear before the Legislature and not responding  
5 even with a letter and I don't recall Mr. Watson that you said  
6 on the record that you are representing him. And if you are, I  
7 don't think it's fair to you because the specific questions  
8 about how he came upon the lease and who drafted the lease and  
9 all of those things, you shouldn't have to be held to account  
10 for. So there we begin, the respect for the institution, us not  
11 insisting that he should be here, his not even sending a letter  
12 indicating that he wouldn't be here. But I believe that also we  
13 have to be sure that we're not supporting a disrespect for the  
14 institution with also a disrespect for the law because that's  
15 where I began and that's where I want to end.

16 Governor Schneider made a decision and that  
17 decision has resulted in a lot of unintended consequences that  
18 we have done a lot of things to accommodate when that decision  
19 was in violation of the Revised Organic Act. Governor Schneider  
20 had no authority to convert the floor to offices and to then  
21 require that we now look for an alternative government house.  
22 And while there may be some concerns with the structure itself,  
23 until and I don't agree that we can simply designate another  
24 space, until we address that requirement in a way that's  
25 consistent with law which is to get the Revised Organic Act

VERNA TURNBULL-CARTY - Legislative Reporter

EXHIBIT T-3

1 have immense value and the contents of these executive  
2 mansions and residences have valuable contents that we've  
3 neglected to take care for whatever reason over the decades;  
4 however good, however bad stewards we've been. So I have  
5 introduced legislation that in fact creates a committee that  
6 deals with government houses and likewise their renovations  
7 and any potential expansion. So I'll have to speak with  
8 Senator Vialet in that regards. I understand his particular  
9 measure.

10 What disturbs me though is the role of WICO and  
11 that WICO has taken on the task as an entity that does not  
12 -- that's independent that they should take on the task of  
13 footing the bill for the executive residence and the  
14 maintenance of the facility. And the one problem that I'm  
15 having is that given the investment WICO made and the  
16 stewardship that they expressed at the time back in the  
17 1990s then under Calvin Wheatley and Mr. Thomas that they  
18 have allowed the Executive Branch to somewhat not do due  
19 diligence in the conservation and the care and management of  
20 the particular facility thus putting us back into a critical  
21 condition of a residence that is not healthy.

22 I think we all recognize that at this point the  
23 Executive, Chief Executive deserves to have a fitting  
24 residence. I don't think that it should be an additional  
25 government house. I think it just needs to be that: A

VERNA TURNBULL-CARTY - Legislative Reporter

EXHIBIT T-4