

**Virgin Islands Economic Development Commission
Decision Meeting of Tuesday, December 8, 2020
Summary Report Out**

During the Virgin Islands Economic Development Commission (“VIEDC”) Decision Meeting on Tuesday, December 8, 2020, the Governing Board heard recommendations from staff regarding three (3) application matters, three (3) compliance matters and discussed one (1) application matter in Executive Session and voted as follows:

Executive Session:

A. Action Items:

Applications:

1. Neighborhood Establishment, LLC – Admittance of Member

(Neighborhood Establishment, LLC was approved for Virgin Islands Economic Development Commission tax incentive benefits as a Category III - Hotel/Guesthouse facility for the provision and management of two affiliated full-service hotels with two locations on the island of St. Croix, as well as, ancillary activities normally associated with a hotel, and a Category IV - Designated Services Business providing business management and consulting services also on the island of St. Croix).

The Governing Board voted (6 - 0) to:

1. Acknowledge the admission of the new shareholder, Suzanne DuBarry (5.50%) pursuant 29 V.I.C., § 714(b);
2. Approve the following changes in Neighborhood Establishment, LLC’s ownership and interest:

<u>SHAREHOLDER</u>	<u>ADDRESS</u>	<u>OWNERSHIP PERCENTAGE</u>	
Todd Konkel *	110 W Bertrand Ave. St. Marys, KS 66536	21.64%	2,630 Units
Matthew Donowho*	2410 Waugh Drive, 3C Houston, TX 77006	21.64%	931,703 Units
Rino Cassinelli*	20719 Ivory Creek Lane Katy, TX 77450	21.64%	60,242 Units
Christopher Pardo*	47 S Grapetree Christiansted, VI 00820	21.64%	27,264 Units
Suzanne DuBarry	7763 Thomson Creek Rd. Applegate, OR 97530	5.50%	

John Wessman2	3 Shoys Christiansted, VI 00820	4.50%
Chris Thompson	1210 Marconi St. Houston, TX 77019	3.44%

*Shareholders also own units of Class B Preferred Equity.

3. Require all other terms and provisions of the grant of incentives delineated in its VIEDC approval letter of November 10, 2020 remain in full force and effect.

2. Salt Pond Holdings, LLC – Change in Organizational Structure

(Salt Pond Holdings, LLC was approved for Virgin Islands Economic Development Commission tax incentive benefits as a Category IV - Designated Services Business on the island of St. Croix providing merchant banking services and family office services, which includes trading stocks or securities. Salt Pond conducts private merchant bank and family office operations on behalf of the Erbey Family. Salt Pond's activities also include identifying, analyzing, and purchasing various securities and financial investments.)

The Governing Board voted (6 - 0) to:

1. Acknowledge E. Elaine Erbey's *Irrevocable Disclaimer of Trust* dated September 30, 2020 regarding renouncement and disclaimer of her interest in the CARISMA TRUST, which is reflected in the Salt Pond Holdings, LLC's organizational chart as the one hundred percent (100%) owner of Erbey Holding Corporation;
2. Acknowledge the *Venia, LLC Resignation of Member* dated September 30, 2020, executed by E. Elaine Erbey to withdraw as a Member of said entity, which was the trustee (assigned representative) of the CARISMA TRUST;
3. Acknowledge and approve withdrawal of the FREDERIKSTED TRUST from the VIEDC Certificate as supported by the *Frederiksted Trust Distribution, Acknowledgment and Release* dated September 30, 2020;
4. Approve the change in ownership structure of **Salt Pond Holdings, LLC** as evidenced by the *Assignment* of William C. Erbey's entire right, title and interest in twenty-four and five tenths percent (24.5%) interest in the CHRISTIANSTED TRUST dated September 30, 2020 pursuant to 29 V.I.C. § 714(b) as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>OWNERSHIP PERCENTAGE</u>	<u>BENEFICIAL OWNERSHIP</u>
Christiansted Trust (USVI Sitused Trust)	5001 Tamarind Reef Suite 28	80.7%	Descendants and
Salt Pond Holdings, LLC	St. Croix, VI 00820		Charitable Organizations
John Richard Erbey E.Elaine Erbey			

Erbey Holding Corporation, Inc. (a U.S. S-Corporation)	5001 Tamarind Reef Suite 28 St. Croix, VI 00820	19.3%	Descendants and Charitable Organizations Carisma Trust (a U.S. Trust)
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5. Amend the Certificate of tax incentives approved by the Governor on September 23, 2013 to replace Amended Appendix A1 dated January 23, 2017 and replace with the herein approved Third Amended Appendix A1, which reflects the above-referenced changes in shareholders and interests effective September 30, 2020; and
6. Require all other terms and provisions of the Certificate of tax incentives to remain in full force and effect.

3. White Bay Global, Inc. – Admittance of Member

(White Bay Group, Inc. was approved for Virgin Islands Economic Development Commission tax incentive benefits as a Category IV - Designated Services Business on the island of St. Thomas providing direct trade and investment as well as back office services to its clients. The Beneficiary established White Bay Advisor USVI, LLC and White Bay Management USVI, LLC, wholly owned, disregarded subsidiaries to carry out these duties).

The Governing Board voted (6 - 0) to:

1. Acknowledge the admission of EMT Action Fund and approve White Bay Global Inc.'s change in ownership and interest pursuant 29 V.I.C., § 714(b) as follows:

<u>MEMBER</u>	<u>ADDRESS</u>	<u>OWNERSHIP PERCENTAGE</u>
EMT Action Fund	c/o Conyers Corporate Services (Bermuda) Limited Clarendon House 2 Church Street Hamilton HM 11, Bermuda	41.0% Common
Uriel Cohen	2H-1 Estate Nazareth Upper Cottage St. Thomas, VI 00802	49.5% Common
Elli Ausubel	2H-1 Estate Nazareth Main House St. Thomas, VI 00802	9.5% Common

2. Amend the Certificate of tax incentives executed by the VIEDC Chairman on October 15, 2018 to reflect the change of shareholder and interests effective December 24, 2019.
3. Require all other terms and provisions of the Certificate shall remain in full force and effect.

Compliance:

1. Tecoma Asset Management, LLC – Termination of Tax Incentive Certificate

(Tecoma Asset Management, LLC was approved for Virgin Islands Economic Development Commission tax incentive benefits as a Category IIA - Designated Service Business on the island of St. Thomas providing investment management and advisory services).

The Governing Board voted (6 - 0) to:

1. Find that Tecoma Asset Management, LLC voluntarily dissolved as of September 18, 2018;
2. Find that Tecoma Asset Management, LLC was not operating in the US Virgin Islands in 2018 and requires that the 2018 VIEDC Annual Compliance Fee of \$7,500 be reversed;
3. Deem Tecoma Asset Management, LLC is in compliance with the requirements of its Certificate of Tax Incentives for the period June 1, 2013 to December 31, 2017, with the exception of the 2017 reporting requirements;
4. Deem Tecoma Asset Management, LLC penalty/fine for non-compliance with the VIEDC reporting requirement as uncollectible, and requires that the late filing fee of \$1,248.17 be waived; and
5. Terminate Tecoma Asset Management, LLC's Certificate of Tax Incentive effective December 31, 2017 and administratively close the file.

2. Tramway Properties, Inc. – Reconsideration of Board Decision

(Tramway Properties, Inc. was approved for Virgin Islands Economic Development Commission tax incentive benefits as a Category III - Tourism Recreational Business consisting of an aerial tramway system that transports passengers from the base of Flag Hill to Paradise Point, located 700 feet above sea level on St. Thomas. Beneficiary also operates related activities that include a restaurant and bar, nature trail, observation deck, concessions and retail sales.)

The Governing Board voted (5 - 0) to:

1. Find that there was no grounds for reconsideration pursuant to V.I.R.R. 717-403;
2. Reaffirm its decision of July 15, 2020 to deny Tramway Properties, Inc. a waiver of its minimum full-time employment requirement from fourteen (14) full-time employees to eleven (11) full-time employees commencing January 1, 2019 to December 31, 2019;
3. Require Tramway Properties, Inc. to pay a total of \$47, 840.00 for the average shortfall of two (2) full-time employee for the 2019 compliance period;
4. Grant Tramway Properties, Inc. a waiver of its minimum full-time employment requirement from fourteen (14) full-time employees to thirteen (13) full-time employees

commencing January 1, 2020 to March 31, 2020, and forgive \$11,960.00 for two (2) full-time employee shortfall;

5. Grant Tramway Properties, Inc. a waiver of its minimum full-time employment requirement from fourteen (14) full-time employees to eight (8) full-time employees commencing April 1, 2020 to December 31, 2021;
6. Require Tramway Properties, Inc. to notify the VIEDC 30 days prior to termination of the employment waiver of any change in its business operations; and
7. Require Tramway Properties, Inc. to adhere to all other standards and special provisions/conditions of its Certificate of Tax Incentives.

3. Tree Limin' Extreme, LLC – Extension of Suspension of Tax Incentive Certificate

(Tree Limin' Extreme, LLC was approved for Virgin Islands Economic Development Commission tax incentive benefits as a Category III - Recreation Business consisting of a zipline park, together with other ancillary activities associated with a tourism-related business located on St. Peter Mountain, St. Thomas).

The Governing Board voted (5 - 0) to:

1. Grant Tree Limin' Extreme, LLC a suspension of its tax incentives commencing November 1, 2020 through October 31, 2021; and
2. Require Tree Limin' Extreme, LLC to notify the VIEDC 30 days prior to termination of the suspension of any change in its business operations, and whether they intend to reactive the Certificate of Tax Incentives on November 1, 2021.

B. Discussion Item:

❖ Island Roads Corporation – Virgin Islands Department of Labor Clearance

Discussion was held on Islands Roads Corporation not being able to resolve their Virgin Islands Department of Labor clearance regarding job postings for over one (1) year because of lack of a formalized administrative process to address these issues.

No Board vote was taken.