

**Virgin Islands Economic Development Authority
Governing Board Meeting
Tuesday, June 7, 2022
Meeting Summary**

During the Virgin Islands Economic Development Authority (“USVIEDA”) Governing Board Meeting on Tuesday, June 7, 2022, the Governing Board heard from staff regarding one (1) HDA application matter in regular session and voted as follows:

Regular Session

Action Item:

➤ **CREF3 USVI Hotel Owner, Inc. f/n/a DiamondRock Frenchman’s Owner, Inc. d/b/a Frenchman’s Reef Marriott Resort & Spa and the New Noni Beach, a St. Thomas Resort, Autograph Collection – Hotel Development Act (“HAD”) Redevelopment Agreement**

CREF3 USVI Hotel Holdings Limited, an affiliate of Fortress Investment Group LLC (CREF3), purchased the shares of DiamondRock Cayman Islands, Inc. (“DCI”), which is the sole shareholder of DiamondRock Frenchman’s Owner, Inc., and is now the owner of Frenchman’s Reef and the new Noni Beach, a Marriott Autograph Collection Resort (collectively referred to herein as the “Resort”) located in Frenchman’s Bay, St. Thomas, U.S. Virgin Islands. These properties were formerly known as the Frenchman’s Reef Marriott and Morningstar Beach Resort. CREF3 is requesting Virgin Islands Economic Development Authority (“USVIEDA”) approval pursuant to the Hotel Development Act (“HDA”), to secure 50% of Designated Hotel Occupancy Tax (“DHOT”) and the right to charge an Economic Recovery Fee (“ERF”) of 2.5%. CREF3 also seeks approval to issue Hotel Development Notes in accordance with V.I. CODE ANN. Tit. 29, §§ 1308, 1309, and 1310 to assist, along with traditional mortgage financing procured by the Resort, with its financing of the reconstruction and renovation of the Resort.

This matter came before the Governing Board of the Virgin Islands Economic Development Authority for consideration of the Frenchman’s Reef Redevelopment Agreement between the Government of the Virgin Islands of the United States and CREF3 USVI Hotel Owner, Inc., a USVI corporation.

The Governing Board voted (5 – 0) to:

1. Approve the Redevelopment Agreement which sets forth the respective rights and obligations of the Government and CREF3 on such terms and conditions as VIEDA and CREF3 have agreed upon pursuant to V.I. CODE ANN. tit. 29, § 1307(b)¹.
2. Require the Redevelopment Agreement to be transmitted to the Governor of the U.S. Virgin Islands for approval and subsequent ratification by the Legislature of the Virgin Islands pursuant to 29 V.I.C. § 1307(c)².

¹ “If, upon consideration of the criteria set forth in subsection (a), the Authority decides to certify the Project, the Authority shall finalize an agreement setting forth the respective obligations of the parties, on such terms and conditions as the Authority and the Developer agree upon.” 29 V.I.C. § 1307(b).

² “The agreement referenced in subsection (b) must be approved by the Governor and ratified by the Legislature.” 29 V.I.C. § 1307(c).