

**IN THE DISTRICT COURT OF THE VIRGIN ISLANDS
DIVISION OF ST. THOMAS AND ST. JOHN**

EHI ACQUISITIONS, LLC,

Plaintiff,

v.

UNITED STATES OF AMERICA,

Defendant.

CIVIL NO. 2022-0044

COMPLAINT

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Plaintiff EHI Acquisitions, LLC brings this Complaint against the United States and alleges as follows:

Introduction.

1. Caneel Bay Resort should be rebuilt and the land and resort should belong to the people of St. John and Virgin Islands community. Through this quiet title action, that will happen.

2. Plaintiff EHI Acquisitions, LLC and its affiliate CBI Acquisitions, LLC (collectively “Caneel Bay”) made an offer to the United States in 2019 to transfer its title to the buildings and other improvements in the Caneel Bay Resort (“Resort”) to the United States. The United States declined to accept that offer. As a result, title to the land automatically reverted to EHI Acquisitions, LLC (“EHI Acquisitions”). The United States, however, has refused to recognize that EHI Acquisitions has title to the property, and the United States continues to dispute that ownership. Plaintiff EHI Acquisitions brings this action to quiet title to the property.

3. By prevailing in this quiet title action, Caneel Bay will be able to preserve the fragile and beautiful environment, while rebuilding the Resort incorporating a more hurricane-resistant design and construction. Reopening the Resort will add over 400 jobs and over \$160 million to the economy of St. John. And, most significantly, by prevailing in this quiet title action, Caneel Bay will be able to transfer ownership of the property to a trust for the benefit of the people of St. John and Virgin Islands community. Caneel Bay is the only party that can accomplish that worthy goal.

Jurisdiction.

4. This is an action to adjudicate a disputed title to real property in which the United States claims an interest. 28 U.S.C. § 2409a. The real property is located on the Island of St. John, U.S. Virgin Islands. The District Court has subject matter jurisdiction pursuant to section

1346(f) of title 28. 28 U.S.C. § 1346(f).

The Parties.

5. Plaintiff EHI Acquisitions, LLC is a U.S. Virgin Islands limited liability company.

6. Defendant the United States is a sovereign nation. The United States has waived sovereign immunity for quiet title claims of the type asserted in this action. 28 U.S.C. § 2409a.

Factual allegations.

A. Origins of the Resort and the Retained Use Estate.

1. The Virgin Islands National Park is established and the Resort is built.

7. In 1956, after purchasing over 5,000 acres of land on St. John, Laurance S. Rockefeller donated the vast majority of that land to the United States National Park Service, which was used to create the Virgin Islands National Park. But in that transfer, Rockefeller reserved approximately 150 acres, on which he built the Resort (then called the “Caneel Bay Plantation”). The Resort, which sits along the Caribbean Sea, is surrounded by seven white-sand beaches, with lush tropical plantings, indigenous artifacts, and historical plantation ruins. The Resort was constructed with minimal impact on the natural beauty of the environment, which served to make it appealing to visitors. The Resort welcomed presidents, politicians, celebrities, and literary icons. And its beaches were frequented by the residents of all of the Virgin Islands.

8. In 1977, Rockefeller divided ownership of the Resort land and the Resort’s buildings, facilities, and other improvements. Ownership of the land was transferred to Jackson Hole Preserve, Incorporated (“Jackson Hole”), and ownership of the improvements was retained by Caneel Bay, Inc., both Rockefeller-controlled entities.

9. The complete legal description of the real property that is the subject of this dispute (the “Property”), and the chain of title for the Property’s land, improvements, retained

use estate, lessor's interest, and lessee's interest, is set forth in section D. below. This chain of title also includes a description of the improvements that were retained by Caneel Bay in the 1977 transaction (the "Improvements").

2. The Retained Use Estate is created.

10. On September 30, 1983, Jackson Hole entered an Indenture with the United States (the "1983 Indenture") transferring title to most of the land on which the Resort was located to the United States of America, acting by the Secretary of the Interior through the Director of the National Park Service (the "United States").

11. Rockefeller recognized, however, that it would be a mistake to transfer the Resort itself to the United States. As Rockefeller's representative wrote at the time: "Caneel Bay is a unique and fragile situation which is absolutely unsuitable to government ownership or operation," and "would quickly lead to a degradation of the property."

12. For that reason, the 1983 Indenture did not transfer to the United States the right to use and occupy the Property and it did not transfer ownership of the Resort's Improvements—the buildings, docks, and other facilities. The 1983 Indenture reserved to Jackson Hole a "Retained Use Estate," in which Jackson Hole retained "the exclusive right to use and occupy" the Property. Jackson Hole transferred title only to "the land, including the landscaping, walkways, roads, road systems, and automobile parking areas" "but exclusive of all other improvements thereon."

13. The stated term for the Retained Use Estate was 40 years, which would end on September 30, 2023. But operating the Resort required substantial annual investment to continually maintain and refurbish the Improvements. For the resort operator to have sufficient financial incentive to continue to make that investment for the full 40-year term of the Retained Use Estate, the operator would need a mechanism to be reimbursed for the value of the

Improvements at the end of the term. (Similarly, the National Park Service requires a new concessionaire to purchase the concession property for fair market value from the former concessionaire.)

14. In addition, there was a substantial likelihood that in the coming decades hurricanes could hit the island and devastate the Resort. In that situation, the needed investment would skyrocket. The Resort operator would need 40 years or more to recover such an investment and could not afford to rebuild the Resort if the remaining term were only a few years.

15. As a solution to these issues, Rockefeller included a put-take mechanism in the 1983 Indenture. The 1983 Indenture provided that any time after three years (i.e., 1986 or later) the owner of the Retained Use Estate could submit an offer to transfer the Improvements to the United States along with one year's written notice terminating the Retained Use Estate on a specified date. If the United States accepted the offer, the owner of the Retained Use Estate would then execute and deliver to the United States an instrument conveying title to all Improvements to the United States. If the United States was not willing to accept the offer, title to the land would "revert, automatically and without further deed" to the owner of the Retained Use Estate.

16. This mechanism assured that the Resort operator would at all times have, and never lose, the financial incentive to properly maintain the Improvements and the Resort. Any time after three years of operation, including as the stated end date for the term of the Retained Used Estate approached, the RUE holder and Resort operator would be able to submit a fair market value offer to transfer the Improvements to the United States. If the United States accepted the offer, the operator would recover the value of the Improvements, which would help offset the costs expended in building, maintaining, rebuilding, and refurbishing the

Improvements. And if the United States elected not to accept the offer, the RUE holder and Resort operator would receive title to the land, which would similarly compensate for expenditures on the Resort.

3. The Resort under Caneel Bay's stewardship.

17. The Resort opened its doors in 1956. By 2004, through a series of transfers (outlined below in section D), Caneel Bay (i.e., EHI Acquisitions, LLC and CBI Acquisitions, LLC), acquired title to the Retained Use Estate, the Improvements, and the leasehold interests in the Resort. Caneel Bay's stewardship of the Resort is unique within the U.S. Virgin Islands, and the Resort and St. John community have been inextricably linked.

18. The Resort welcomed over 15,000 guests per year, bringing over \$65 million each year in direct spending to St. John. In addition, the Resort brought St. John over \$160 million each year in spending on activities such as restaurants, retail stores of all types, nightlife, bars, tours, fishing, and water sports.

19. The Resort was the largest employer on St. John, providing well-paying jobs for more than 400 employees. Its staff made up seven percent of the U.S. Virgin Islands' total employment in the hotel and restaurant sector. And by supporting many businesses on the islands, the Resort's guests provided jobs for hundreds more.

20. Caneel Bay consistently donated financial support for community activities such as the Annual Gala for the Julius E. Sprauve School, summer internships, college scholarships, the local Carnival, the School of the Arts, the St. John Historical Society, Friends of the Virgin Islands National Park, the St. John Cancer fundraiser, the Thanksgiving and Christmas food donations, and other services. Caneel Bay also promoted local performers (musicians, Mocko Jumbies, dancers, and fire-eaters), and supported selling local art and products.

B. The hurricanes and the rebuild.

1. The 2017 hurricanes.

21. Hurricanes Irma and Maria—both Category Five storms—struck the United States Virgin Islands in September 2017, devastating the island of St. John. They destroyed vegetation, the electrical infrastructure, and the island’s homes and commercial buildings. The hurricane damage was so extensive the Resort was forced to close.

22. In the immediate aftermath of the hurricanes, even though the hurricanes destroyed the Resort, Caneel Bay used its equipment and labor to clear public roads, and provided emergency medical transportation via Caneel Bay boats. It donated meals, drinking water, and ice to first responders and local residents. It fueled police, fire, and other emergency vehicles. It provided free accommodations to search-and-rescue teams, first responders, and NGO teams, and it converted accommodations to community and FEMA housing. It coordinated donation drives for gently used furniture and clothing, and donated used guest room furniture to St. John families.

23. The Resort closure was a blow to tourism, St. John’s primary economic activity. The Resort’s closure eliminated jobs, income for residents, and revenue for the entire Virgin Islands community.

2. Caneel Bay commits to rebuild.

24. After the Resort was closed, Caneel Bay assessed the situation. While the hurricanes were devastating, they created a once-in-a-generation opportunity for St. John and all of the Island’s stakeholders. With a larger investment, the Resort could be quickly rebuilt. It could also incorporate more hurricane-resistant designs and construction methods based on newer technology, while preserving the fragile environment.

25. Rebuilding the Resort in this manner would require a lot of money—more than

\$100 million. But raising the necessary funds from investors would require Caneel Bay to operate the Resort long enough for investors to recoup their investment. Caneel Bay commenced discussions with the National Park Service to extend the Retained Use Estate, but the discussions ultimately failed to produce an agreement.

26. At that point, if nothing were done, control of the Resort would have eventually reverted to the United States. This would have assured that restoration would be mired in the United States government bureaucracy, and that the reopening of the Resort would be further delayed for many years, if it occurred at all.

27. Caneel Bay then invoked the put-take mechanism in the 1983 Indenture. On April 30, 2019, EHI Acquisitions provided its “Notice of Termination pursuant to paragraph 8 of the Indenture” to the Secretary of the United States Department of the Interior to “terminate and extinguish the RUE one year from the date of receipt of this Termination Notice.”

28. In that notice, consistent with the terms of the 1983 Indenture, EHI Acquisitions made an “offer to provide the full conveyance and transfer of fee title in and to all Improvements” to the United States in consideration for “payment of the sum certain of \$70 million,” and an agreement that the United States would release and indemnify Caneel Bay from environmental liabilities related to the Resort, other than for contamination caused by Caneel Bay. With this notice to the Secretary, EHI Acquisitions also attached a form Conveyance Instrument to effectuate the transfer of the Improvements.

29. Caneel Bay’s offer to the United States to transfer the Improvements was a good faith offer. In fact, the fair market value of the Improvements was greater than the value of the consideration requested from the United States.

30. Under the terms of the 1983 Indenture, the United States was obligated “[a]t any time after receipt of such notice of termination, but in no event later than one hundred eighty

(180) days prior to the Termination Date,” to “mail or deliver to [EHI Acquisitions] a written notice advising whether [the United States] is willing to accept such conveyance and transfer.”

Ex. A, 1983 Indenture, ¶ 8. If the United States advised EHI Acquisitions that it was not willing to accept the offer, then “title to the Premises . . . shall revert, automatically and without further deed” to EHI Acquisitions. Ex. A, 1983 Indenture, at 5.

31. The United States responded in writing on June 11, 2019, that it was not willing to accept the offer. As a result, pursuant to the terms of 1983 Indenture Agreement, title to the Property “revert[ed], automatically and without further deed” to EHI Acquisitions. Ex. A, 1983 Indenture at 5. The United States, however, has declined to recognize EHI Acquisitions’ title and continues to dispute that EHI Acquisitions has title to the Property.

C. Caneel Bay’s commitment to the future.

32. The Resort rests on three pillars: the community, its family of employees, and the natural setting. Caneel Bay is committed to strengthening each of these pillars.

1. Pillar one: The St. John and Virgin Islands community.

33. The first pillar supporting the Resort is the community of St. John and the entire United States Virgin Islands, who deserve to have the Resort rebuilt and reopened as soon as possible. Rebuilding the Resort would bring back hundreds of well-paying jobs, provide more than \$65 million per year in direct Island spending, and produce more than \$160 million in annual economic activity.

34. If control and ownership of the Resort were left to the United States government, there would be many years of delay in rebuilding, if it were accomplished at all. The National Park Service is considering the option of not reopening the Resort or any accommodations, and states that it “has no pre-determined plan for the property.” Because of the community’s interests in rebuilding the Resort, control and ownership of the Resort should not be left to the

United States government. Caneel Bay is ready to begin the process of rebuilding the Resort immediately. This is a one-time opportunity to redevelop the Resort with the input of all stakeholders within the Virgin Islands, and to create a more durable and more environmentally friendly Resort, and one that will generate substantial revenue for the economy of St. John and the United States Virgin Islands.

35. This lawsuit to quiet title is an essential step. Caneel Bay must raise substantial capital from private investors. Those investors will come forward only if they know there will be time to recoup their investments from Resort operations. But, as explained above, the U.S. Department of the Interior and the U.S. National Park Service (collectively, the United States) have called into question Caneel Bay's ownership of the land upon which the Resort sits, and have refused to provide assurances that, if Caneel Bay rebuilds the Resort, it will be permitted to operate it. This, in turn, has made it impossible for Caneel Bay to secure the funding needed to quickly rebuild the Resort. A declaration from this Court that the land belongs to Caneel Bay is necessary to eliminate the cloud on the title, and to allow Caneel Bay to restore the Resort.

36. In addition, the Caneel Bay Property should and will directly benefit, and ultimately belong to, the people of St. John and the Virgin Islands community. Having listened to the voices of the citizens of the Virgin Islands after the hurricanes destroyed the resort, Caneel Bay will ensure this happens.

37. Caneel Bay is creating a charitable trust for the benefit of the people of St. John and the Virgin Island community. Through the operation of the Resort, the trust will provide funds to support the education of children (for example, the children attending the Julius E. Sprauve school on St. John and youth sports activities), the building of affordable housing and work-force housing on the island, and preservation of a clean environment on St. John. The trust will be governed by a board of trustees drawn from key constituencies.

38. After Caneel Bay has secured title to the Property, it will donate ownership of the Property to the trust. To generate cash flow for the trust, Caneel Bay will provide a long-term lease requiring the lessee to invest capital to rebuild and operate the Resort consistent with its prior 166-unit, five-star resort footprint.

39. The lessee will be required to pay rent to the trust commencing not less than two years after the Resort re-opens. This will generate significant annual income for the trust to be used for its stated purposes at the direction of the trustees.

40. At the end of the lease term, the Resort Property, including the land and improvements, will revert to the trust, and will thereafter be owned and controlled by the trust for the benefit of the people of St. John and the Virgin Islands community. Caneel Bay is already in the process of establishing this trust.

41. The Resort also sits on land with historical and cultural significance. The resort is located on the site of a former sugar plantation, and archaeological artifacts are present. The historical artifacts must be preserved. Along with preservation, the Virgin Islands community should have a space to observe and learn about the historical significance of the site, and about their heritage and Caribbean roots. Caneel Bay commits to ensuring that each of these objectives occurs.

42. Working with the Virgin Islands National Park and local historical societies, Caneel Bay will seek innovative ways to represent the conditions endured by enslaved peoples working in the former sugar plantation, and also the presence of pre-colonial Carib and Taino Indians. Caneel Bay will ensure that historical buildings and artifacts continue to be preserved. In addition, a rebuilt Resort will include space accessible to the local community to allow guests, island visitors, and the residents of the Virgin Islands to learn about the site's cultural heritage.

2. Pillar two: the Resorts' family of employees.

43. The second pillar of the Resort is its employees. Since 2004, Caneel Bay prided itself on upholding best practices for recruitment and employment. Employees were largely drawn from the US Virgin Islands and greater Caribbean region (subject to eligibility to work in the United States). Where there was a shortfall in a specific skillset locally, or where there was shortfall in applicants for open positions, Caneel Bay recruited from the continental United States. Caneel Bay has also taken pride in the family environment that it created with its employees, many of whom family members worked at the resort for several generations.

44. Yet Caneel Bay knows there is more to be done, and it is committed to re-establishing and improving its relationship with its employees. Caneel Bay commits to appointing senior managers who know and respect the Virgin Islands people and culture. In addition, Caneel Bay will work with local government and the University of the Virgin Islands to develop and provide high school- and university-level courses that lead to certifications and degrees in hotel management for local residents. These educational programs will provide job applicants key competitive skills, and will also provide employees the opportunity for more rapid advancement.

3. Pillar three: the natural environment.

45. Preserving and enhancing the pristine natural environment of the Resort serves the interests of all stakeholders, including employees, visitors, and the greater St. John and Virgin Islands community.

46. While operating the Resort, Caneel Bay limited the Resort's size to 166 rooms, to ensure low environmental impact. This smaller footprint ensures it is more attractive to guests, which meant that it could generate greater revenues with fewer guests. The small footprint also preserved the Resort for the future, ensuring that it would be a valuable resource long in the

future.

47. Historically, Caneel Bay spent \$800,000 per year caring for the resources on the property, and anticipates spending even more in the coming years. This included ensuring the beaches were cleared of sargassum and the nesting sites of turtles were protected; yearly cleanup of the seabed; caring for and replanting trees; protecting animal wildlife; using 100% biodegradable containers; and supporting the Dark Sky initiative with low-voltage light bulbs.

48. More recently Caneel Bay provided access to the National Park Service to conduct an environmental assessment at the Resort. On September 16, 2021, the NPS issued a Final Report with findings and recommendations for environmental remediation. The report identified three areas for potential remediation: a “former landfill” where waste had been “deposited over decades,” a “maintenance, landscaping, and vehicle-fueling” area with “elevated levels of certain pesticides,” and an area “where equipment and machinery have been stored.”

49. Caneel Bay is committed to complying with its obligation to remediate environmental hazards at the Resort, and to using its best efforts to ensure that other entities legally responsible for remediating environmental hazards at the Resort are held responsible for their cleanup operations.

D. Legal description and chain of title.

50. The legal description of the Property and the chain of title that led to Plaintiff’s ownership of the Property are set forth below.

1. Legal description.

51. The legal description of the real property that is the subject of this quiet title action (the “Property”) is set forth below in this paragraph. In addition, the legal description (including a metes and bounds description) is also set forth in the 1983 Indenture, which is attached as exhibit A to this Complaint and incorporated by reference.

The Property is land situated in the Island of St. John, U.S. Virgin Islands, described as:

- Remainder of Estate Caneel Bay, No. 8 Cruz Bay Quarter, St. John, U.S. Virgin Islands, containing 127.7 acres, more or less, as shown on P.W.D. F9-122-T56; EXCEPTING AND RESERVING, however, from said Remainder of Estate Caneel Bay No. 8 Cruz Bay Quarter, Parcel No. "A", Estate Caneel Bay, 8 Cruz Bay Quarter, St. John, Virgin Islands, as delineated on Public Works Drawing No. G3-11 O-T64, comprising 2,456 square feet more or less, being the premises conveyed by Caneel Bay Plantation Inc. to Government of the Virgin Islands by Quitclaim Deed dated August 22, 1966, recorded July 5, 1967 in Book 8-W, page 382, as Document No. 3262/1967, in exchange for which parcel the Government of the Virgin Islands quitclaimed an area of public road designated as Parcel "C" in PWD G3-11 O-T64, dated October 16, 1964, comprising an area of 1,300 square feet, more or less, by deed dated June 1, 1967, recorded July 5, 1967, in Book 8-W, page 384, as Document No. 326111967. The said Parcel "C" is hereby included as a portion of the premises.
- Parcel No. 9 of Estate Caneel Bay, No. 8 Cruz Bay Quarter, St. John, U.S. Virgin Islands, containing 6.17 acres, more or less, as shown on P.W.D. D9-125-T56.
- Parcel No. 10 of Estate Caneel Bay, No. 8 Cruz Bay Quarter, St. John, U.S. Virgin Islands, containing 0.584 acre more or less as shown on P.W.D. F9-119-T56.
- Parcel No. 11 of Estate Caneel Bay, No. 8 Cruz Bay Quarter, St. John, U.S. Virgin Islands, containing 1.594 acres, more or less, as shown on P.W.D. F9-121-T56.
- Parcel No. 20 of Estate Caneel Bay (formerly Parcel No. 8), No. 8 Cruz Bay Quarter, St. John, U.S. Virgin Islands, containing 9.3 acres, more or less, as shown on P.W.D. D9-25-T51.
- Parcel No. 21 of Estate Caneel Bay, No. 8 Cruz Bay Quarter, St. John, U.S. Virgin

Islands, containing 0.85 acres, more or less, as shown on P.W.D. G9-44-T51.

- Parcel No. 22 of Estate Caneel Bay, No. 8 Cruz Bay Quarter, St. John, U.S. Virgin Islands, containing 1.42 acres, more or less, as shown on P.W.D. G9-45-T51.
- Parcel No. 52A Estate Caneel Bay, No. 8 Cruz Bay Quarter, St. John, U.S. Virgin Islands, containing 1.01 acres, more or less, as shown on P.W.D. D9-289-T61.

2. 1950 – Land and Improvements to Caneel Bay Plantation, Inc.

52. As a result of a foreclosure sale and auction, the Property was transferred by certificate of sale dated June 3, 1949, from Caneel Bay Corporation to Rhode Island Charities Trust or its nominee, followed by a designation dated July 3, 1950, in which Rhode Island Charities Trust designated Caneel Bay Plantation, Inc. as its nominee, followed by sheriff's deed dated July 5, 1950, from Caneel Bay Corporation to Caneel Bay Plantation Inc.

3. 1977 – Land, future interest in Improvements, and Lessor's interest to Jackson Hole; current interest in Improvements and Lessee's interest to Caneel Bay, Inc.

53. Before 1977, title to the Property continued to be owned by Caneel Bay Plantation Inc., which changed its name to Caneel Bay, Inc. In 1977, Rockefeller separated ownership of the improvements from ownership of the land, and placed that ownership in two different Rockefeller entities. The end result was that Jackson Hole Preserve, Incorporated ("Jackson Hole") acquired title to the Land, a future interest in the Improvements, and the Lessor's interest in the Resort, while Caneel Bay, Inc. retained a current interest in the Improvements and the Lessee's interest in the Resort. These transactions were as follows.

54. Through a Deed dated December 29, 1977 (the "1977 Deed"), Rockefeller transferred the Property's Land from Caneel Bay, Inc. as Grantor, to Jackson Hole as Grantee. Caneel Bay, Inc. conveyed to Jackson Hole "right, title, and interest in the land, including the landscaping, walkways, roads, road systems and automobile parking areas situated thereon."

1977 Deed at 1.

55. The 1977 Deed recited: "It is the intention of the Grantor and the Grantee that title to and ownership of the Premises shall hereby be separated from title to and ownership of the Improvements (which shall nevertheless retain their character as real property)." 1977 Deed at 2. The 1977 Deed reserved for the Grantor (Caneel Bay, Inc.) title to the Improvements on the Land. As a result, Caneel Bay, Inc. retained a current interest in the Improvements. The 1977 Deed defined the Improvements as follows:

EXCEPTING AND RESERVING unto the Grantor until December 31, 2007 [or until the earlier expiration or termination of that certain lease of the Premises, made of even date herewith, between the Grantee, as lessor, and the Grantor, as lessee (hereinafter, the "Lease"), all right, title, interest and ownership of the Grantor in and to all of the following (hereinafter, collectively, the "Improvements") which are hereby excluded from the Premises:

(a) all buildings, building equipment, fixtures, mechanical systems, structures, facilities and improvements (other than said landscaping, walkways, roads, road systems and automobile parking areas), including foundations and any of the foregoing which are subsurface, now or hereafter located, installed or erected upon the Premises;

(b) all cisterns, water catchments, utilities, electrical systems, generators, transformers, sewage plants and systems, docks, jetties, bulkheads and tennis courts, water supply systems and water desalination systems (including any of the foregoing which are subsurface), now or hereafter located, installed or located upon the Premises; and

(c) all additions, alterations, restorations, repairs, replacements and substitutions of any of the foregoing.

1977 Deed at 1.

56. The 1977 Deed also provided that upon termination of the Lease between Jackson Hole and Caneel Bay, Inc. (described in in the next paragraph below), then "title to and ownership of the Improvements shall automatically pass to and vest in the Grantee [Jackson Hole]." 1977 Deed at 2. As a result, Jackson Hole acquired a future interest in the

Improvements.

57. On that same date, September 29, 1977, Jackson Hole and Caneel Bay, Inc. executed a Real Estate Lease (the “1977 Lease”) through which Jackson Hole leased the Property to Caneel Bay, Inc. As a result of the 1977 Lease, Caneel Bay, Inc. acquired the Lessee’s interest and Jackson Hole acquired the Lessor’s interest in a leasehold of the Property. The stated term of the 1977 Lease was through December 31, 2007.

4. 1983 – amending the term for the 1977 Deed and the 1977 Lease.

58. On September 30, 1983, Caneel Bay, Inc. and Jackson Hole executed instruments that corrected and amended the term of the 1977 Deed and 1977 Lease, by changing the date of “December 31, 2007” to “September 30, 2023.”

59. Caneel Bay, Inc. and Jackson Hole executed a Corrective Deed that amended the date on which the Improvements would revert to Jackson Hole to September 30, 2023. The 1983 Corrective Deed stated in part:

1. Grantor and Grantee covenant and agree that the 1977 Deed is hereby corrected and amended by changing the date set forth on the second line of the fifth paragraph of the 1977 Deed to read "September 30, 2023."

1983 Corrective Deed at 1.

60. Caneel Bay, Inc. and Jackson Hole also executed a First Amendment of Real Estate Lease, dated as of September 30, 1983, that amended the 1977 Lease such that “Section 1.1 of the Lease is hereby amended to provide that the Demised Term shall end and expire on September 30, 2023.”

5. 1983 – Land to United States; Retained Use Estate retained by Jackson Hole.

61. As discussed above, by Indenture dated September 30, 1983 (the “1983 Indenture”), Jackson Hole transferred title to the Property’s Land to the United States, but did

not include the Improvements that had been retained by Caneel Bay, Inc. in the 1977 Deed. The 1983 Indenture stated in part:

GRANTOR HEREBY GRANTS, SELLS, RELEASES, AND QUIT-CLAIMS to Grantee all of Grantor's right, title, and interest in and to the following premises (collectively the "Premises"):

(A) the land, including the landscaping, walkways, roads, road systems, and automobile parking areas situated thereon, described in Schedule A annexed hereto and made a part hereof, being a part of the premises conveyed by Caneel Bay, Inc. to Grantor by Deed dated December 29, 1977 and recorded January 24, 1978 as Document No. 158 in Volume 18-0 Page 121 in the Office of the Recorder of Deeds for the District of St. Thomas and St. John, Virgin Islands of the United States ("Prior Deed"), but exclusive of all other improvements thereon as excepted and reserved by Caneel Bay, Inc. in the Prior Deed (the "Improvements"); and

Ex. A, 1983 Indenture, at 1.

62. As described above, the 1983 Indenture also reserved for Jackson Hole a Retained Use Estate. The Retained Use Estate had a stated term of 40 years unless the owner of the Retained Use Estate invoked the put-take mechanism described above.

6. 1986 – Retained Use Estate, future interest in Improvements, and Lessor's interest to Rockresorts.

63. In 1986, Jackson Hole conveyed the Retained Use Estate, the future interest in the Improvements, and the Lessor's interest to Rockresorts, Inc.

64. On April 3, 1986, Jackson Hole and Rockresorts, Inc. entered an Assignment and Assumption (the "1986 Assignment") in which Jackson Hole, as Assignor, assigned to Rockresorts, Inc., as Assignee, the Retained Use Estate and the future interest in Improvements.

The 1986 Assignment recited:

WHEREAS by Indenture dated September 30, 1983 and recorded in the Recorder's Office for the District of St. Thomas and St. John, U.S. Virgin Islands, at Book 24-Z, Page 359, Sub. No. 3402 on October 4, 1983 (the "Indenture") Assignor granted, sold, released and quitclaimed to the UNITED STATES OF AMERICA, acting by the Secretary of the Interior through the Director of the National Park Service, all of Assignor's right, title and interest in and to certain premises described in the Indenture (referred to therein and hereinafter as the "Premises"), which Premises are more particularly described in Schedule A attached hereto and hereby made a part hereof;

WHEREAS by the Indenture Assignor reserved to itself the exclusive right to use and occupy the Premises upon the terms and conditions set forth in the Indenture (such right referred to therein and hereinafter as the "Retained Use Estate") for a term which shall expire on September 30, 2023, unless earlier terminated as provided in the Indenture;

1986 Assignment at 1.

65. Thus the "Indenture" referred to in the 1986 Assignment is the 1983 Indenture, in which Jackson Hole "reserved to itself the exclusive right to use and occupy the Premises," also called the "Retained Use Estate." And the 1986 Assignment stated:

1. Assignor assigns, transfers and sets over unto Assignee, its successors and assigns, all of Assignor's right, title and interest to use and occupy the Premises pursuant to, and all other rights granted or reserved to Assignor in, the Indenture, to have and to hold the same unto Assignee, its successors and assigns, from and after the date hereof, subject to the covenants, conditions, agreements, terms, obligations, restrictions, and other provisions set forth herein and in the Indenture.

2. Assignee accepts such assignment, and assumes and agrees to perform, discharge and comply with all of the covenants, conditions, agreements, terms, obligations and restrictions to be performed or complied with on the part of Assignor under the Indenture from and after the date hereof.

1986 Assignment at 2.

66. Also on April 3, 1986, Jackson Hole executed an Indenture (the "1986 Indenture") that granted to Rockresorts, Inc. all of Jackson Hole's "right, title and interest . . . in and to the Improvements (as defined in the 1977 Deed)." The 1986 Indenture stated in part:

W I T N E S S E T H:

GRANTOR HEREBY GRANTS, SELLS, RELEASES AND QUIT-CLAIMS to Grantee, its successors and assigns, all of Grantor's right, title and interest, both now existing and hereafter acquired, if any, pursuant to that certain Deed made December 29, 1977 and recorded in the Recorder's Office for the District of St. Thomas and St. John, U.S. Virgin Islands (the "Recorder's Office") in Book 18-0, page 121, Sub. No. 158, on January 24, 1978, as supplemented by Corrective Deed, dated September 30, 1983 and recorded in the Recorder's Office in Book 24-2, page 347, Sub. No. 3400, on October 4, 1983 (said deed, as so supplemented, hereinafter referred to as the "1977 Deed") in and to the Improvements (as defined in the 1977 Deed) located on the land described on Exhibit A, annexed hereto and made a part hereof (said land hereinafter referred to as the "Premises").

1986 Indenture at 1

67. On April 9, 1986, Jackson Hole and Rockresorts, Inc. entered an Assignment and Assumption of Lease (the "1986 Lease Assignment") in which Jackson Hole assigned to Rockresorts, Inc. "all of [Jackson Hole's] right, title and interest as lessor" in the 1977 Lease.

7. 1991 – Retained Use Estate, future interest in Improvements, and Lessor's interest to Estate Holdings, Inc.

68. On October 30, 1991, Rockresorts, Inc. executed instruments that transferred the Retained Use Estate, future interest in Improvements, and Lessor's interest to Estate Holdings, Inc.

69. On October 30, 1991, Rockresorts, Inc. and Estate Holdings, Inc. executed an Assignment and Assumption of Retained Use Estate (the "1991 Assignment") in which Rockresorts, Inc. assigned the Retained Use Estate to Estate Holdings, Inc. The recitals in the 1991 Assignment included the following:

W I T N E S S E T H:

WHEREAS, by Indenture dated September 30, 1983 and recorded in the Recorder's Office for the District of St. Thomas and St. John, U.S. Virgin Islands (the "Recorder"), at Book 24-Z, Page 359, Sub. No. 3402 on October 4, 1983 (the "Indenture"), Jackson Hole Preserve, Incorporated ("JHP") granted, sold, released and quitclaimed to the UNITED STATES OF AMERICA, acting by the Secretary of the Interior through the Director of the National Park Service, all of JHP's right, title and interest in and to certain premises described in the Indenture (referred to therein and hereinafter as the "Premises"), which Premises are more particularly described in Exhibit A attached hereto and hereby made a part hereof;

WHEREAS, by the Indenture, JHP reserved to itself the exclusive right to use and occupy the Premises upon the terms and conditions set forth in the Indenture (such right referred to

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therein and hereinafter as the "Retained Use Estate") for a term which shall expire on September 30, 2023, unless earlier terminated as provided in the Indenture;

1991 Assignment at 1-2.

70. And the 1991 Assignment's terms included the following:

1. Assignor assigns, transfers and sets over unto Assignee, its successors and assigns, all of Assignor's right, title and interest to use and occupy the Premises pursuant to, and all other rights granted or reserved to JHP as assigned to Assignor in, the Indenture as affected by the Previous Assignment, to have and to hold the same unto Assignee, its successors and assigns, from and after the date hereof, subject to the covenants, conditions, agreements, terms, obligations, restrictions, and other provisions set forth herein, in the Indenture and in the Previous Assignment, including without limitation, the provisions of Paragraphs 4 and 8 of the Previous Assignment.

2. Assignee accepts such assignment, and assumes and agrees to perform, discharge and comply with all of the covenants, conditions, agreements, terms, obligations and

1991 Assignment at 3.

71. The "Indenture" referred to in the 1991 Assignment is the 1983 Indenture, which reserved to Jackson Hole the "exclusive right to use and occupy the Premises," also called the "Retained Use Estate."

72. Also on October 30, 1991, Rockresorts executed an Indenture (the "1991 Indenture") in which it conveyed to Estate Holdings, Inc. all of Rockresorts' "right, title and interest, both now existing and hereafter acquired," in the Improvements.

73. Also on October 30, 1991, Rockresorts, Inc. executed an Assignment and Assumption of Lease (the "1991 Lease Assignment") that assigned to Estate Holdings, Inc. "all of [Rockresorts'] right, title and interest as lessor" in the 1977 Lease.

8. 2003 – current interest in Improvements and future interest in Improvements to EHI Acquisitions.

74. On December 1, 2003, Estate Holdings, Inc. and Caneel Bay, Inc. executed an

Indenture and conveyed to EHI Acquisitions all of their interests “both now existing and hereafter acquired” “in and to the Improvements” on the Property.

9. 2004 – Retained Use Estate and Lessor’s interest to EHI Acquisitions and Lessee interest to CBI Acquisitions.

75. In 2004, Estate Holdings, Inc. conveyed all its interests in the Retained Use Estate, and its interests as lessor under the 1977 Lease, to EHI Acquisitions, LLC.

76. On May 10, 2004, Estate Holdings, Inc. and EHI Acquisitions executed an Assignment and Assumption of Retained Use Estate (“2004 RUE Assignment”) in which Estate Holdings transferred “all of [Estate Holdings’] right, title and interest to use and occupy the Premises” to EHI Acquisitions. The 2004 RUE Assignment described the assignment as follows:

<p>1. Assignor assigns, transfers and sets over unto Assignee, its successors and assigns, all of Assignor’s right, title and interest to use and occupy the Premises pursuant to, and all other rights granted or reserved to JHP, as assigned by JHP to Rockresorts and by Rockresorts to Assignor in, the Indenture as affected by the 1986 Assignment and the Previous Assignment, to have and to hold the same unto Assignee, its successors and assigns, from and after the date hereof, subject to the covenants, conditions, agreements, terms, obligations, restrictions, and other provisions set forth herein, in the Indenture, in the 1986 Assignment and in the Previous Assignment, including without limitation, the provisions of Paragraphs 4 and 8 of the 1986 Assignment.</p> <p>2. Assignee accepts such assignment, and assumes and agrees to perform, discharge and comply with all of the covenants, conditions, agreements, terms, obligations and restrictions to be performed or complied with on the part of Assignor under the Indenture, the 1986 Assignment and the Previous Assignment from and after the date hereof.</p>
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2004 RUE Assignment at 2.

77. On that same date, May 10, 2004, Estate Holdings, Inc. and EHI Acquisitions executed an Assignment and Assumption of Lease (the “2004 Lessor Assignment”) in which Estate Holdings assigned “all of [Estate Holdings’] right, title and interest as lessor” in the 1977 Lease to EHI Acquisitions.

78. Also on May 10, 2004, Caneel Bay, Inc. and CBI Acquisitions executed an Assignment and Assumption of Lease (the “2004 Lessee Assignment”) in which Caneel Bay,

Inc. assigned “all of [Caneel Bay’s] interests as lessee under the 1977 Lease to CBI Acquisitions.

10. 2019 – Land automatically reverts to EHI Acquisitions.

79. As set forth in greater detail above, on April 30, 2019, EHI Acquisitions provided its “Notice of Termination” of the Retained Use Estate and an offer to convey the Improvements to the United States, acting through the Department of the Interior. The United States responded in writing on June 11, 2019, and advised that it was not willing to accept the offer. As recited in the 1983 Indenture, as a result of these events, “title to the Premises . . . shall revert, automatically and without further deed” to EHI Acquisitions. Ex. A, 1983 Indenture, ¶ 8. As a result, EHI Acquisitions acquired legal title to the Property.

80. After the above-described transactions, EHI Acquisitions has not transferred or conveyed its interests in the Property. Accordingly, EHI Acquisitions is the legal owner of the Property, including both the Land and Improvements.

First cause of action
(To quiet title in the Property)

81. Plaintiff realleges and incorporates by reference each of the allegations of all preceding paragraphs of this Complaint.

82. The legal description for the Property is set forth above.

83. The chain of title for the Property, set forth above, demonstrates that Plaintiff EHI Acquisitions is the rightful legal owner of, and holds title to, the Property and that the United States has no lawful right, title, or interest in the Property.

84. The United States has declined to recognize EHI Acquisitions’ title to the Property and continues to contend that the United States has an interest in the Property and that the United States has title to the Property.

85. Pursuant to 28 U.S.C. § 2409a, EHI Acquisitions seeks to quiet title concerning

ownership of the Property. EHI Acquisition requires and would benefit from and seeks the judgment of this Court rejecting the contentions of the United States and declaring that EHI Acquisitions is the rightful and lawful owner of the Property.

Prayer for relief.

Plaintiff respectfully requests that this Court:

1. Quiet title in the Property and issue an order declaring the United States has no legal interest in the Property and that Plaintiff EHI Acquisitions, LLC owns all right, title, and interest to the Property;
2. Award Plaintiff its fees, costs, and other expenses as provided by applicable law; and
3. Issue any further relief as the Court may deem just, proper and equitable.

Dated: June 30, 2022

Respectfully submitted,

By: /s/ Chad Messier

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