

DARREN K. INDYKE
DARREN K. INDYKE, PLLC
575 Lexington Avenue, 4th Floor
New York, New York 10022
Telephone: [REDACTED]
Telecopier: [REDACTED]
Email: [REDACTED]

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July 1, 2015

VIA EMAIL ([REDACTED])

Mr. Tadeusz Zygowski
Sportis S.A.
ul. Na Dambnik 22
Bojano
84-207 Koleczkowo
Poland

Re: LSJE, LLC v. Sportis S.A. and Tadeusz Zygowski

Dear Mr. Zygowski:

I am astonished not only at your wholesale disregard for the legitimate complaints of a client who paid you in full for a custom-built vessel which it has never been able to use, but also for the obvious disdain you exhibit towards that client, even though it has been working patiently for well over a year to resolve this matter on an amicable basis.

Messrs. Kahn, Hodges and Epstein are emphatic and will easily convince the arbitrators that you were well aware of the intended application for your vessel as a luxury transport. As the designer of the hull there is no doubt that you will also be found to be well aware of the compromises Sportis made in "comfort" for the sake of performance in a military or law enforcement application. Your generally recommending that a luxury use customer located in the Virgin Islands travel to Poland or Switzerland to take a test ride will prove unpersuasive and is no substitute for your obligation to provide LSJE, LLC with specific notice about those compromises. In short, it would have been a simple thing for you to tell LSJE, LLC's representatives that the ride and noise levels of a vessel you designed for military/law enforcement applications might make it inappropriate for LSJE, LLC's intended luxury use. You never did so.

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Your assertion that the vessel was shipped to you without your agreement is preposterous. The email history will demonstrate conclusively that the vessel was shipped with your agreement after your representatives were unable to travel to the Virgin Islands on a timely basis. That you desired the vessel to be shipped to you with engines installed on it is of no import, particularly when you sold and shipped the vessel to LSJE, LLC without engines and that is how it was shipped back to you. Moreover, shipping the vessel without engines was necessary to limit the cost and risk of further damage to LSJE, LLC.

I have no doubt that the arbitrators will recognize the enumerated costs in your letter as nothing more than overhead and costs incidental to the fulfillment of your warranty obligations for which LSJE, LLC is in no way liable. That you would even assert them against LSJE, LLC when you only minimally addressed the warranty complaints noted by the surveyor will speak volumes at trial.

To demonstrate LSJE, LLC's good will, put an end to the unproductive back and forth communications, and resolve this matter amicably, LSJE, LLC will withdraw its demand for costs, if Sportis, at its own cost, will ship the vessel and trailer back to LSJE, LLC in the Virgin Islands, so that LSJE, LLC may mitigate its damages.

Please advise me by July 10, 2015 if you will pay the costs of shipping and, if so, when we can expect you to ship the vessel and the trailer.

This letter is without prejudice to the rights and claims of LSJE, LLC against Sportis SA and Tadeusz Zygowski all of which are hereby expressly reserved.

Very truly yours,

Darren K. Indyke