



October 22, 2015

**Daphne Wallace, Executive Assistant
Southern Financial Trust**

Via E-mail:

RE: JAREDIAN INVOICE NO. 15-001.4

Dear Daphne,

I was extremely disappointed with your email this morning regarding Mr. Epstein's refusal to pay Jaredian's invoice no. 15-001.4, dated September 22, 2015 for the Generator, R.O. & Maintenance Buildings. I am perplexed even more by the reason; that we promised him the garage over the R.O. and Generator Buildings could be completed by the end of September. Even if that were so, the Jaredian Design Group are not Contractors and have no control over the construction schedule of a Contractor. Nor do we have control over the multitude of design changes Mr. Epstein has required before a plan could be agreed upon. Furthermore, a design or construction schedule is not referenced in either of Jaredian's proposals of January 16 and February 23, 2015. We did send recommendations on how to accelerate the construction schedule to Mr. Epstein on June 26, 2015 that went unanswered.

The truth is, the buildings to be built over the Generator and R.O. Buildings could have been completed by the end of September if a decision on the manufacturer of the pre-engineered structure had been made in April, when we first sent preliminary quotes on the structures from Buck Steel. However, Mr. Epstein decided to have the structure bid out to three bidders instead. To date, no decision has been made by your side. That is what has held up construction on the site, not the Jaredian Design Group.

The Jaredian Design Group has performed exceptional services for Little Saint James (LSJ) from the beginning, particularly as it relates to permit requests to the Division of Coastal Zone Management (CZM). In 2014, we applied for, and received, a Minor Permit for the paving of all of the roadways on LSJ. You will recall that CZM initially wanted LSJ to apply for a Major Permit, which would have required a public hearing. Then, on May 5, 2015, we were able to successfully negotiate a Permit Modification for the Generator & R.O. Buildings, and a Minor Permit for the Maintenance Building with CZM. This was not a small feat as Director J.P. Oriol initially felt the Maintenance Building should have been a Major Permit. The change of heart in the issuing of Minor Permits for the roadways and Maintenance Building was based upon how CZM regards the integrity of the Jaredian Design Group on the projects they have done in the First Tier for the past twenty years.

The permit modification for the Generator & R.O. Building additions was always the low hanging fruit for this project. The Modification has been approved since June, but LSJ elected not to start by not selecting a pre-engineered building manufacturer, and Mr. Epstein's desire to start the Maintenance Building first. The CZM Permit for that building could not be done in less than two months. We did not get a sign off on the building from LSJ until the end of July, so the earliest it could start was the end of September.

If you look at Jaredian's proposals of January 16 and February 23, 2015 you will note the design services refer to one replacement structure, not three. However, it became apparent to me that Mr. Epstein expected

three structures to be built, not one. We evaluated our proposal and absorbed the loss of fees because we felt it was important to continue building a long term relationship with LSJ. The Jaredian Design Group is a small firm working in a depressed construction market. The processing of this invoice is very important to our financial picture. There will still be a balance of \$4,500.00 in the design portion of the fee even after the invoice is paid. This should cover any minor changes from the incorporation of the structural drawings into the sets.

Should you have any questions or comments, please feel free to call on me at 777-1600.

Very truly yours,

JAREDIAN DESIGN GROUP

A handwritten signature in blue ink, appearing to read "John P. Woods", is written over a horizontal line.

John P. Woods, AIA, NCARB
Principal

Cc: Leroy V. Smith, PE