

From: "Farkas, Andrew L." <[REDACTED]>

To: Florida Science Foundation <jeevacation@gmail.com>

Subject: Fw: Request from JE on AYH

Date: Mon, 12 Jan 2015 23:21:48 +0000

Attachments: LSJ_Barge_Placement.pdf

I send the attached w/o editorial or amendment. How would you like me to proceed?

Sent from my BlackBerry 10 smartphone.

From: Mukamal, Thomas <[REDACTED]>

Sent: Monday, January 12, 2015 5:14 PM

To: Farkas, Andrew L.

Cc: Garrison, Frank; Mukamal, Tom

Subject: Request from JE on AYH

Andrew –

As you may recall, we have worked a very long time to enter into an appropriate and favorable long term settlement with Albert Paiewonsky and Paul Hoffman regarding the operation of P-dock at AYH. We are basically done. As part of the settlement Albert and Paul will be investing over \$200,000 and AYH will invest about \$60,000 to rebuild P-dock. Our rent will be decreased and we anticipate charging higher rates at the new dock. Also, we will connect P-dock to AYH's main power feed which will significantly lower our cost of sales on utilities - increasing our margins substantially. Importantly, if this scope of work on the dock is successful, we can assess the feasibility of implementing it across AYH's dock systems as a means to upgrade the aging infrastructure in a more cost effective manner. There is one challenge for which I require some assistance. The proposed engineering of P-dock and the proposed cost to rebuild it assumes that JE's LSJ barge is relocated. The barge itself is too heavy and to rebuild the dock in a manner where the T-head won't suffer long term damage will cost approximately \$400,000 - \$500,000 in addition to the \$260,000 we are collectively spending - as we would need to replace/reinforce more pilings. This will be a problem with all of AYH's t-heads if they are rebuilt. Also, as the market has improved we are making money on our T-heads.

As you know as part of the JV, JE is entitled to dock a vessel the size of the barge for free. Lee Hicks (AYH - GM) has spoken to JE's captain and we have a solution. I have attached a photo that shows a proposed new location where we can secure contract berthing for the barge. IGY (not AYH) would pay the expense thereby honoring the economics for JE. The proposed location is equidistant from the loading area currently used by the barge. Again, Lee has spoken to JE's captain who is supportive. Rich Kahn (JE's accountant) has not been supportive. I need some help in enlisting JE's support.

We can always revisit at a later date if need be but for now this seems like its preferred by JE's captain and in the best interest of the asset and partnership.

Any questions, please let me know.

Tom

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