

**Subbase Drydock Inc.**

PO Box 4429/ Parcel 162 Subbase

St. Thomas, USVI, 00803

T:(340) 776-2078 Fax:(340)779-8426

**Invoice**

| Date      | Invoice # |
|-----------|-----------|
| 4/23/2015 | 6812      |

|                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                        |                                                                                                                           |               |
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| <b>Bill To:</b>                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Customer Phone</b>  |                                                                                                                           |               |
| LSJ,LLC                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Customer Fax</b>    |                                                                                                                           |               |
|                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Customer E-mail</b> |                                                                                                                           |               |
|                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                        |                                                                                                                           |               |
| <b>P.O. No.</b>                                                                                                                                                                                                 | <b>Project</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Terms</b>           | We accept cash, checks, major credit cards, travelers checks and wired funds. More info available regarding wired monies. |               |
| Ann/Boscoe                                                                                                                                                                                                      | Big N/LSJ Barge                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Upon Completion</b> |                                                                                                                           |               |
| <b>Qty/Hrs</b>                                                                                                                                                                                                  | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        | <b>Rate</b>                                                                                                               | <b>Amount</b> |
|                                                                                                                                                                                                                 | <p>REVISED 05/04/2015</p> <p>Subbase and Island Rigging and Hydraulics reviewed projects that were on your "to do list" this morning. I will list all projects that I can with a quote for each repair but first I would like to comment on the condition of the LSJ Barge.</p> <p>This vessel was hauled out at our yard three years ago . During that haul out Subbase quoted on most of the items you have in this current list. It was surprising to see that our recommendations were not completed and as a result the current condition of the vessel is not seaworthy. The overall appearance of the vessels is that it looks neglected and repairs that were essential were cobbled together in an effort to get by.</p> <p>The LSJ Barge needs a major overhaul to make her seaworthy and to ensure an extended service life.</p> <p>Subbase in not interested in making any repairs that will not be done properly; nor are we interested in patching anything together for a temporary fix.</p> <p>I understand that some projects may be more important then others so I will try to list each project individually.</p> |                        |                                                                                                                           |               |
| 1                                                                                                                                                                                                               | Drydock hauling fees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                        | 1,500.00                                                                                                                  | 1,500.00      |
| 45                                                                                                                                                                                                              | Laydays: Approx 45                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        | 250.00                                                                                                                    | 11,250.00     |
| 1                                                                                                                                                                                                               | Electricity Fee: Hook Up                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                        | 75.00                                                                                                                     | 75.00         |
| 45                                                                                                                                                                                                              | Electricity Fee: per day                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                        | 60.00                                                                                                                     | 2,700.00      |
| 1                                                                                                                                                                                                               | 5000 psi pressure wash                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                        | 327.00                                                                                                                    | 327.00        |
| <b>Thank you for your business.</b>                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                        | <b>Total</b>                                                                                                              |               |
| <i>Please note Subbase Drydock Inc. reserves the right to not release any part/parts, projects or vessels for which/ on which the above detailed work has been performed until payment in full is received.</i> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                        | <b>Payments/Credits</b>                                                                                                   |               |
|                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                        | <b>Balance Due</b>                                                                                                        |               |

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| <b>Bill To:</b>                                                                         |                 | <b>Customer Phone</b>  |                                                                                                                                    |
| LSJ,LLC                                                                                 |                 | <b>Customer Fax</b>    |                                                                                                                                    |
|                                                                                         |                 | <b>Customer E-mail</b> |                                                                                                                                    |
|                                                                                         |                 |                        |                                                                                                                                    |
|  . No. | <b>Project</b>  | <b>Terms</b>           | We accept cash,<br>checks, major credit cards, travelers<br>checks and wired funds. More info<br>available regarding wired monies. |
| Ann/Boscoe                                                                              | Big N/LSJ Barge | <b>Upon Completion</b> |                                                                                                                                    |

| Qty/Hrs | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Rate      | Amount    |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| 1       | 1 & 2. )Rudders: Subbase personnel examined the rudder room and we were able see major corrosion on the transom. The hull plating has holes where sea water is seeping into the vessel. The steering components need to be removed and cleaned, the rudders need to be removed and serviced. The lower Pintle and gudgeons need service as well as the rudder stuffing box. Upon removing the rudders Subbase Drydock has determined that the bolt holes on each of the flanges on the rudders have been severely worn and have to be cropped out and replaced with new. In addition the tiller arm quadrants are completely rusted and not salvageable these have to be replaced. We have cut out the corroded plating on the stern and in doing so we had to remove the stern rubrail. All the hardware for the rub rail i.e....bolts and nuts... have to be replaced and new hardware used to reinstall rub rail. \$45,000 includes labor and material | 45,000.00 | 45,000.00 |
| 1       | 3-A.) Install two cylinders with stainless steel shafts; including allhoses back to engine room, with stainless steel ends on all hoses. Upon inspecting the engine room all the hydraulic lines have to be replaced this includes the steering hydraulics and pump. Labor and Materials will be \$95,000 Please contact Island Rigging and Hydraulics for a more detailed estimate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 95,000.00 | 95,000.00 |
| 1       | 3-B.) The steel boxes that secure the cylinders to the hull are deteriorated and will need replacement. Subbase recommends using stainless steel to eliminate the corrosion. Three years ago we quoted \$16,000.00 for both boxes and we will still honor this quote.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 16,000.00 | 16,000.00 |

|                                                                                                                                                                                                                 |                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| <b>Thank you for your business.</b>                                                                                                                                                                             | <b>Total</b>            |
| <b>Please note Subbase Drydock Inc. reserves the right to not release any part/parts, projects or vessels for which/ on which the above detailed work has been performed until payment in full is received.</b> | <b>Payments/Credits</b> |
|                                                                                                                                                                                                                 | <b>Balance Due</b>      |

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| <b>No.</b>                                                                                                                                                                                                      | <b>Project</b>                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Terms</b>            | We accept cash, checks, major credit cards, travelers checks and wired funds. More info available regarding wired monies. |
| Ann/Boscoe                                                                                                                                                                                                      | Big N/LSJ Barge                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Upon Completion</b>  |                                                                                                                           |
| <b>Qty/Hrs</b>                                                                                                                                                                                                  | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Rate</b>             | <b>Amount</b>                                                                                                             |
| 1                                                                                                                                                                                                               | 4.) The exhaust system is in a non-repairable condition and needs replacement from the main engine to the hull outlet. Our quote will include all new piping, flex joints, exhaust mixers, and new exterior aluminum outlet. When system is complete it will be wrapped with a removable wire mesh hi-temp blanket. The new system will be much quieter than the existing exhaust system. Labor and material \$24,500 | 24,500.00               | 24,500.00                                                                                                                 |
| 1                                                                                                                                                                                                               | 5.) Engine mounts need to be de-scaled of rust. Bolts holding mounts need to be cleaned or renewed and alignment from coupling to shaft needs to be checked and adjusted for proper tolerances. An extensive review was completed of this drive train back in 2012 with repair recommendations made at that time. (before exhaust system is finalized this alignment must be done). 7000 Labor and Material           | 7,000.00                | 7,000.00                                                                                                                  |
| 1                                                                                                                                                                                                               | 6.) Stuffing boxes: Subbase was informed that new stuffing boxes are on hand and will be owner supplied, after haulout removal of hose joining stuffing box to shaft log will reveal the condition of shaft log. I would reserve 5k for this project.                                                                                                                                                                 | 5,000.00                | 5,000.00                                                                                                                  |
| 1                                                                                                                                                                                                               | 7.) Cutless bearings require removal of main shafts and propellers: After removal of coupling, shafts and props a condition report will follow if drive train is serviceable the routine maintenance for renewing cutless bearing will only need attention. Labor and material for this is (both port and starboard) \$4,150.00.                                                                                      | 4,150.00                | 4,150.00                                                                                                                  |
| 1                                                                                                                                                                                                               | 8.) Engine Cooling Grid: Pressure test system and issue report for this service. Reserve \$1,200.00                                                                                                                                                                                                                                                                                                                   | 1,200.00                | 1,200.00                                                                                                                  |
| 1                                                                                                                                                                                                               | 9.) Bottom paint and barrier coat: Labor and material \$7,500.00.                                                                                                                                                                                                                                                                                                                                                     | 7,500.00                | 7,500.00                                                                                                                  |
| <b>Thank you for your business.</b>                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Total</b>            |                                                                                                                           |
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| Ann/Boscoe                                                                              | Big N/LSJ Barge | <b>Upon Completion</b> |                                                                                                                                    |

| Qty/Hrs | Description                                                                                                                                                                                                                                                                                                                                                                                                                                         | Rate      | Amount    |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
|         | 10.) Engine and marine gear - Review upon haul out --- QUOTE WILL BE ISSUED ---                                                                                                                                                                                                                                                                                                                                                                     | 0.00      | 0.00      |
| 1       | 11.) Fuel tank: Cleaning and disposal                                                                                                                                                                                                                                                                                                                                                                                                               | 2,800.00  | 2,800.00  |
| 1       | 19.) Clean engine room: Before any repairs are started clean and degrease entire engine room, dispose of oily water. After repairs are complete clean and paint engines and any other areas that were painted.<br>Remove engine hatch covers and assess condition. Make necessary repairs and reinstall after all. Labor and material \$5,500.00                                                                                                    | 5,500.00  | 5,500.00  |
| 1       | 20.) Hydraulic Tank: Due to severe corrosion of the steel hydraulic tank, Subbase recommends replacing tank with new marine grade aluminum tank complete with all necessary fittings and sight glass to view levels. Labor and Materials.                                                                                                                                                                                                           | 5,000.00  | 5,000.00  |
| 1       | 21.) Engine Room Wiring: Upon an inspection of the engine room, Subbase Drydock has determined that all of the engine room wiring is compromised. We will strip all the wiring and renew all bilge pumps, engine room blowers, lighting and batteries. This also includes running new gauges to pilot house and all new wiring to instrument control panel. Repairing 24 volt alternator and adding second one to port engine. Labor and Materials. | 37,000.00 | 37,000.00 |
| 1       | Shipping and Freight Charges                                                                                                                                                                                                                                                                                                                                                                                                                        | 2,500.00  | 2,500.00  |
|         | ***One-third due at mobilization, one-third at 50% completion and balance at completion***                                                                                                                                                                                                                                                                                                                                                          |           |           |

|                                                                                                                                                                                                                 |                         |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------|
| <b>Thank you for your business.</b>                                                                                                                                                                             | <b>Total</b>            | <b>\$274,002.00</b> |
| <b>Please note Subbase Drydock Inc. reserves the right to not release any part/parts, projects or vessels for which/ on which the above detailed work has been performed until payment in full is received.</b> | <b>Payments/Credits</b> | <b>\$-51,157.00</b> |
|                                                                                                                                                                                                                 | <b>Balance Due</b>      | <b>\$222,845.00</b> |