
From: Farkas, Andrew L. [REDACTED]
Sent: Friday, August 2, 2013 8:13 PM
To: Florida Science Foundation
Subject: Evaluation

Jeffery, my dear friend, this will be the last time I write on this matter because, as I have told you, I have turned the management of the issue over to Frank Garrison who has sole authority. I have done so in consideration of the many conflicts for me inherent in this dispute.

At your request I have done some more homework including having looked at the page in the appraisal to which you referred me. Not only does my position stand, but it has been materially reinforced.

The appraisal on which you now appear to be relying to demonstrate that you were somehow harmed was performed in connection with a valuation of AYH alone, commissioned by Banco Popular, 6 months after the asset was purchased. The pertinent language of the appraisal to which you directed me states, "the subject was part of a larger purchase of four marina properties in the Caribbean. The seller was Sun Resorts which owned the subject outright and various interests in the other three marinas. The sale price is slightly higher than our value estimate which could be the result of allocated costs of the portfolio sale." This presumption by the appraiser is inaccurate and thus misleading and erroneous in several aspects.

1) The appraiser had absolutely no knowledge of the structure, pricing or components of the Sun Resorts deal nor did he do any evaluation of any facts related to it. His work was limited exclusively to a valuation of AYH alone. While he states that the sale price is "...slightly higher than our value estimate which COULD [emphasis added] be the result of allocated costs of the portfolio sale," the comment is entirely gratuitous. The appraiser did zero work around the so called, "portfolio sale," had no knowledge of its terms, conditions, pricing or structure and read no documents. His gratuitous statement that the pricing COULD have been a function of "allocated costs" was a flat out guess with zero basis in fact. The term "portfolio sale" is quite misleading and, as explained below, the various assets were sold by different sellers with very separate and disparate interests.

2) IGY bought several things from Sun Resorts. It bought a management company and it bought interests in (and/or bought outright) marina properties each of which was owned by an individual limited partnership with each partnership, in turn, owned by different limited partners. Sun Resorts owned the GP interests, but in each case the sale of the properties by the partnerships required the affirmative vote of the majority of the limited partners in each deal. In the case of AYH in particular, the appraisal also erroneously states that Sun Resorts, "...owned the subject outright." That is not accurate. Sun Resorts owned the managing member interest in a limited partnership that owned the subject outright. Even if Sun Resorts had wanted to it had no ability to allocate costs or benefits between and among assets as each thing it sold had different shareholders.

3) The majority limited partners of the entity owning AYH was the Crown Family. Crown family members and their representatives personally participated in the pricing negotiations around this asset. The price was reached as a result of these arms-length negotiations and no inappropriate allocations of any sort were made or attributed to the acquisition to increase the price. Even Sun Resorts deferred to the Crowns in this regard.

4) Each of the assets we acquired from Sun was individually priced and individually negotiated and each sale was subject to a vote by the different and disparate sets of limited partners in each partnership owning an asset.

At your request, a great deal of time has been spent deconstructing and reconstructing the history of this transaction. After exhaustive post-mortem research IGY discovered a single accounting error to your detriment of approximately \$168,000. The company apologized for the honest mistake and has offered to make full restitution. But you appear to me to be on a witch hunt my friend. For some reason it would seem that you WANT to discover that you were somehow deceived. But you were not, at all, at any time, in any way. Full disclosure was made to you on all things at all times. That's just how we roll.

I don't know where you want to take it from here, but I implore you to put away the pitch forks and torches and save them for another day. There is nothing about any of this that was remotely untoward.

Sent from my iPad

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