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THE JET EXPRESS



The Fastest Way to Put-in-Bay
& Kelleys Island

December 5, 2012

Richard M. Novak
Executive Director
Lorain Port Authority
611 Broadway
Lorain, OH 44052

Dear Mr. Novak:

Concerning the current operation of Jet Express IV:

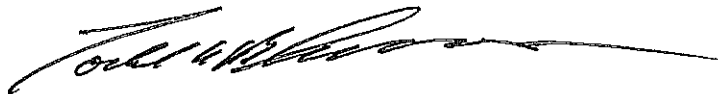
It is in the reasonable determination of Jet Express, that (i) the Vessel is not profitable, citing continued operating losses, and (ii) the Vessel is no longer suitable for its intended purposes, as the Vessel does not perform in accordance with the performance specifications contained within the RFP, specifically in regard to Vessel route and Vessel schedule.

Referencing the operating agreement between the Jet Express and the Lorain Port Authority, and pursuant to Article VII, Miscellaneous, section 7.2, Amendments, Modifications and Waivers, Jet Express is requesting a modification be made to the operating agreement, in regards to the Vessel schedule. Specifically, Article I, 1.1 and 1.3, should reflect that the Vessel will operate as needed, originating from mainland Ohio. Jet Express will operate a ferry service from mainland Ohio ports, from May 1st – October 31st. Jet Express will offer trips from Lorain, and other Ohio mainland locations, to South Bass Island and Kelleys Island, as well as limited specialty trips to other locations. Trips will be scheduled, based on passenger demand for the service.

The Jet Express is willing to operate service from Lorain in 2013, based on an edit and reissuance of the amendment to the operating agreement made in 2012.

I hope we can work together, to make the operation profitable. Please let me know if reissuance of this amendment is acceptable to the Lorain Port Authority.

Sincerely,



Todd A. Blumensaadt
President

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