

FERRY CONTRACT COMPARISON				
01/26/2012				
	OLD CONTRACT		NEW CONTRACT	
	2010		2011	
	Actual		Actual	
RENT	\$	289,818	\$	425,000
RENT/FREIGHT		\$0	\$	50,000
Freight credit		\$0	\$	15,000
FERRY PASSES=21	\$	12,600		
FERRY PASSES=26			\$	15,600
1AM BOAT \$1/head		\$0	\$	9,572
Escalator 33,635 X \$1.25		\$0	\$	42,044
50 Free books for FD		\$0	\$	13,200
TOTAL	\$	302,418	\$	570,416
Increase			89%	\$ 267,998
Parking spots		325		350
			PLUS ADD ON	
*Escalators	\$0		\$ 62,500	350k-400k=\$1.25/head
	\$0		\$ 137,500	400k-450k=\$1.50/head
	\$0		\$ 225,000	450k-500k=\$1.75/head
	\$0			500 & over=\$2.00/head
Yearly Increases	3%		\$ 13,230	The Higher of CPI or 2%
			2.7% CPI	
<u>Legislature increases if approved</u>				
Rent	\$0		\$ 29,750	8.50% See attachment
Freight rent	\$0		\$ 5,000	10% See attachment
Special Freight Discount	\$0		\$ 100,000	Up to \$100,000/year
TOTAL ESTIMATED ADD ON			\$ 372,980	
*80,000 Passenger discount				

EXHIBIT B - RENT SCHEDULE

Annual BASE RENT shall be Ferry Terminal Rent, plus Freight House Rent, plus Freight Credit.

2011 BASE RENT

Ferry Terminal Rent	\$425,000
Freight House Rent	\$ 50,000
Freight Credit (Section 15.10)	<u>\$ 15,000</u>
	\$490,000

Annual BASE RENT shall increase every year of the Agreement by the greater of the following:

2% over the prior year's BASE RENT

or

CPI-U (NY, Northern NJ, Long Island) as published for December of the prior year.

ADDITIONAL RENT:

- A. FERRIES shall pay to the VILLAGE, as additional rent, \$1.00 for every passenger on a FERRIES vessel that departs the VILLAGE after 12:00 midnight at any time during the term of this Agreement and/or for any "special" ferry that FIFI's collects "extra" money per trip from the passengers. For purposes of illustration, this Additional Rent is intended to identify and refer to the "1:00 AM Ferry".
- B. In the event that any passenger rate increases are approved by the Suffolk County Legislature during the term of this Agreement, the Annual BASE RENT and all ADDITIONAL RENTS shall be increased by 8.5 % for every \$1 (one dollar) (or pro-rata portion thereof) increase in the passenger rate.

Example:

For purposes of this example, let's assume a one-way ticket is \$9.00. Let's further assume the County Legislature approves an increase to \$10.00. That is a \$1.00 increase. All rent and additional rents called for in the Agreement shall be increased by 8.5% effective immediately upon the County Legislature's approval.

So, it would be 8.5 cents added to the base ticket rent of \$1.2143 ($\$425,000$ base passenger rent \div by 349999= $\$1.2243$) and bring the new base ticket price to \$1.2993 per ticket or a new base rent of \$454,754 from \$425,000. This analyzes carries through to the all step increases.

If the approval was from \$9.00 to \$9.50, all rents and additional rents called for in the agreement shall be increased by 4.25% effective immediately upon the County Legislature's approval.

- C. In the event that any freight rate increases are approved by the Suffolk County Legislature during the term of this Agreement, the Freight House Rent and Freight Credit shall be increased by the same % increase.

Example:

For purposes of this example, let's assume FIFI's grosses \$1 million a year on freight. Let's further assume the County Legislature approves increase to freight charges that would increase that number to \$1.1 million. That would be \$100,000 (10%) increase to FIFI. The Village would get the equivalent 10% increase. Accordingly, the current \$50,000 freight charge would increase to \$55,000, and the current Freight Credit of \$1,000,000 (Section 15.2 of the Agreement) would increase to \$1,100,000.

It is understood by the parties that this Exhibit B – Rent Scheduled is incorporated by reference into the LEASE Agreement and shall be considered a part thereof.