**To:** jeevacation@gmail.com[jeevacation@gmail.com]; jeevacation@gmail.com[jeevacation@gmail.com]
**From:** [redacted]
**Sent:** Mon 10/10/2011 7:03:15 PM
**Subject:** Swanson status

Jeffrey

1. 1.Dan has a fallback position. Evidently TD Bank (1st mortgagee) and New Providence (2nd mortgagee) will extend until June 2012 if he prepays interest until then. That would mean a 6+ month extension for TD on $21.2M (about $600,000) in interest and a 4+ month extension for New Prov on $5.3M ($275,000). (He prepaid interest to the current maturities.) There would be no principal reduction. Dan would use the balance to maintain the property, pay insurance and cover overhead and personal expenses. Dan doesn't have the $1,500,000 so he asks if he could borrow that amount. No terms have been discussed. He can offer a second mortage on his existing house and contiguous extra lot in Phipps Estates. They house and extra lot are mortgaged to Northern Trust for $6M. He has the extra lot listed for $5.5 with Corcoran. He says they are worth $12M, I think $8M or $9M. He did not offer a third on 1220.
2. 2. He prefers the $10M second on 1220 SOB until Nov 2012 @18% with a $1M kicker on sale which we have been discussing.
3. 3. I haven't discussed with Dan the possibility of buying 1220 now at a discount. He just listed it at $74M but told McCann to tell Moens and Condon "a deal could be done in the $50s." He currently owes $26.6M. If he did deal #2, he'd immediately owe $33.2M of which he'd have $2M+ to use for overhead and personal expenses. He estimates the "overhead" of insurance, maintenance, marketing, and taxes on 1220 to be $800,000 – so he'd have $1.2M+ for personal expenses. If we offered him something around $30-$31, he'd have $4M+ now and could survive in business. I believe we could sell for a net above $40M this season.

Let's discuss.
Paul