

From: Richard Joslin [REDACTED]
To: jeffrey E. <jeevacation@gmail.com>
Subject: FW: BBJ SN 30751 Offer
Sent: Thursday, February 5, 2015 9:33:38 PM

fyi

-----Original Message-----

From: Jon P. Conlon [REDACTED]
Sent: Thursday, February 05, 2015 3:48 PM
To: Richard Joslin
Subject: RE: BBJ SN 30751 Offer

Richard,

Good timing. I am in the process of putting together a recommendation for the seller's board of directors.

I am going to recommend they lower their expectations below \$30,000,000.

If we are successful I should know by early next week.

I appreciate your patience and am optimistic we can reach some sort of middle road.

Thank you for the revised offer.

Kind Regards,

Jon P. Conlon
Senior Market Analyst

Dulles International Airport

23411 Autopilot Drive Drive, Suite 250
Dulles, VA 20166

www.avjet.com

From: Richard Joslin [REDACTED]
Sent: Thursday, February 5, 2015 12:37 PM
To: Jon P. Conlon
Subject: RE: BBJ SN 30751 Offer

Jon:

The earlier model in your note below is older and will sell for less. I understand that it is now under contract to sell for \$23MM. That said, we would be willing to increase the offer for 30751 to \$28MM

Please advise
RJ

-----Original Message-----

From: Jon P. Conlon [REDACTED]
Sent: Friday, January 23, 2015 7:17 PM
To: Richard Joslin
Subject: RE: BBJ SN 30751 Offer

Richard,

Thank you for reaching back out to me. I have been away on travels but have been meaning to get back in touch with you but didn't want to call this late on a Friday evening so please excuse the lengthy email. We've done several analyses for the seller to help them understand where the market lies in relation to current data points (both sold aircraft and what is currently available). I am in agreement to some extent that your valuation of SN 30751 below \$30,000,000 based on recent sales is not unreasonable. From the seller's standpoint, they are trying to recoup some of their investment in the interior and at the same time looking at what they are competing against. Several months ago they were indeed competing against Mr. Wynn's aircraft but now that it has sold they don't see any BBJ that competes with them (at least not below \$30,000,000).

The aircraft you have referenced does compete to some extent with 30751 in that it is a similar vintage and we are well aware of 29273 and have seen it in person. It has been for sale since late 2009 and has seen numerous price reductions from its original \$49,000,000 ask price in 2009 to its current ask price of under \$26,000,000. You are correct that it has less total time but the layout and interior are the main obstacle that have kept it from selling. The floorplan is very poor and estimates to reconfigure it, which would require removal of multiple bulkheads and other dividing structures have been estimated anywhere from \$3,000,000 to well over \$6,000,000 by reputable BBJ completion centers such as Jetbasel and Lufthansa Technik. We've had several buyers that were clients of Avjet who were interested in the aircraft a few years ago with a configuration change but ended up passing because of the time and cost involved. Even without a configuration change, the interior decor is less than stellar, some have referenced that it looks like something out of an 18th century castle with its inlaid wooden paneling and bookcases.

I know it's splitting hairs but one must also consider that 29273 was one of the first BBJ's built. It's was YG06 (Boeing line designation) compared to ours which was YG62. The bottom line is that we understand your position that the interiors are a mute point if you are going to redo them either with new cosmetics or actual structural design changes such as removing bulkheads, chairs, tables and such.

In that regard your principle is somewhat unique in this segment (early model) of the market. Of the past seven early model BBJ trades (2009 - to present) only two have redone softgoods (leather, carpet, etc) and/or woodwork. The remaining five buyers operated their new BBJ's as is with regards to the interior save for some entertainment work. None of the seven buyers made wholesale floor plan changes. In that regard your principle is unique and we are attempting to get our seller to understand his perspective.

With regard to your last email about other opportunities, we did in fact make several calls through the marketplace for alternative options and came up with two possibilities. The first was an early model close in production line number to YG06 (SN 29273 on Controller) based here in the US but the seller was well north of \$30,000,000. The second you may be aware of, it's also an early model owned by a head of state but it has a 33 passenger capacity and a terrible floor plan. Neither seemed like a candidate.

If you are available next week in your office perhaps we can further discuss over the phone. We would really like to find your principle the right aircraft. I've enclosed a recent BBJ client report for you to review as well, though it seems you are fully up to speed on the market place.

Kind Regards,

Jon P. Conlon
Senior Market Analyst

Dulles International Airport

23411 Autopilot Drive Drive, Suite 250
Dulles, VA 20166

www.avjet.com

From: Richard Joslin [REDACTED]
Sent: Friday, January 23, 2015 10:35 AM
To: Jon P. Conlon
Subject: RE: BBJ SN 30751 Offer

Jon:

I wanted to follow up our communication. We see a listing of yours in Controller for a BBJ with 50% less hours that is listed for \$25MM. Has your seller seen this listing?

RJ

-----Original Message-----

From: Richard Joslin
Sent: Wednesday, January 07, 2015 3:25 PM
To: 'Jon P. Conlon'
Subject: RE: BBJ SN 30751 Offer

Jon:

Many thanks for your professional response.

As you are certainly aware, the \$2MM spent on interior renovation on a private BBJ will more often than not have little transferrable value, and in this case, the interior will definitely be tailored to our principal's taste as we would intend to fully re-do the interior. (As an aside, It would be helpful to have the previously requested photographs of the interior). Similarly, the differential of +/- 500 hours has little price relevance. Given the shortage of real buyers in the market, the data points cited below and previously, as well as the risk of not meeting new standards on old chairs, etc. plus new service bulletins to soon take effect again confirms our position that your seller is off-market.

We continue to favor your plane as we are familiar with its history. Please keep us posted if there are changes on your end.

Last, if you have any other suggestions of alternate planes, please let me know.

RJ

Richard Joslin
CFO
Elysium Management LLC
445 Park Ave
Ste. 1401
New York, NY 10022

-----Original Message-----

From: Jon P. Conlon [REDACTED]
Sent: Wednesday, January 07, 2015 2:17 PM
To: Richard Joslin
Subject: RE: BBJ SN 30751 Offer

Richard,

Thanks for your patience. The seller was away on travels and it took us some time to reach back out to him. While we acknowledge that a recent sale occurred below \$30MM (Steve Wynn's BBJ) our BBJ had less total time (about 500 hours) and a much newer and modern interior. In 2011 the seller invested well over \$2MM into the interior with new soft goods and a brand new cabin entertainment system. Mr. Wynn's BBJ had an interior dating back to 2007 that looks heavily dated now. Also in Wynn's case, the quick sale at below \$30M was in part tied to the deal on his replacement G650 which created a greater motivation to move the BBJ. Prior to the G650 deal Wynn turned down several similar offers last summer.

We've given the seller our own internal data points for two recent sales (Wynn's BBJ) as well as our own recent sale of Occidental Petroleum's BBJ which we sold in May at just above \$30M. That aircraft had slightly less time than 30751 but also had a very dated (original interior).

While there is certainly justification that 30751 should trade lower than their current counter of \$33M I think the interior work performed and the superior quality of interior need to be taken into account.

We are in active discussions with the seller at present over recent data points and if there is any change on their end I will notify you.

As stated previously we appreciate your offer and patience.
Kind Regards,

Jon P. Conlon
Senior Market Analyst

Dulles International Airport
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Phone: 410-626-6162

Mobile: 571-436-7915
Email: jconlon@avjet.com

-----Original Message-----
From: Richard Joslin [REDACTED]
Sent: Tuesday, December 30, 2014 12:03 PM
To: Jon P. Conlon; Bryan Dunnigan
Subject: RE: BBJ SN 30751 Offer

Jon/ Bryan:

In a previous communication, I indicated that the market was under \$30MM and cited recent activity in support. I do not wish to waste each other's time nor engage in a protracted negotiation that ends up going nowhere. If your client is not a real seller, that is fine. If that is incorrect, I would suggest a more serious counter offer. Otherwise, we will discontinue to engage.

RJ

Richard Joslin
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-----Original Message-----
From: Jon P. Conlon [REDACTED]
Sent: Monday, December 29, 2014 11:24 AM
To: Richard Joslin
Cc: Bryan Dunnigan
Subject: BBJ SN 30751 Offer

Mr. Joslin,

On behalf of our seller, we thank you for submitting an offer on our BBJ SN 30751. The seller has reviewed your offer and has authorized us to present a counter offer at \$33,000,000.

If this counter offer is acceptable we can engage our attorney's and begin drafting a purchase agreement.

We look forward to your feedback.

Kind Regards,

Jon P. Conlon
Senior Market Analyst

[Avjet]

Dulles International Airport

23800 Wind Sock Drive, Suite 250
Dulles, VA 20166



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