

**From:** Dan Streech  
**Sent:** Thursday, September 3, 2009 4:44 PM  
**To:** Robert L ConconiBob  
**CC:** Jim Leishman; Jeff Leishman (jeff@nordhavn.com); Trever Smith (trever@nordhavn.com)  
**Subject:** RE: 120  
**Attachments:** PA Conconi 9-3-09.doc  
N12001-Conconi-Flybridge\_Profile.pdf  
PA Conconi 9-3-09.doc  
N120 Standard Specifications - 06.17.09.pdf

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Dear Bob,

As mentioned in yesterday's e-mail, please see our proposal below for our sale to you of N120 #1.

Attached is a purchase agreement which encapsulates the information below as well as the standard specifications and standard drawing.

Tomorrow, we will Fed Ex full size hard copy of the drawing for Saturday delivery to your home.

I will call you tomorrow after you have had a chance to digest this.

**PURCHASE PRICE: \$14,725,000**

- *This is the same price that we agreed to with Bob and Lynn Grossman after a long battle of negotiation. We were relieved to get out of the Grossman deal after we made it, partly because of the price, but mostly because the "high maintenance" aspect of the Grossmans was bound to erode the already too low margin. With Diane and Bob Conconi, we know that the build process and relationship will be efficient and will not reduce the profit margin.*
- *We are returning the Grossman's deposit over a period of time by the terms of a settlement agreement. Thus, that deposit will not be confiscated by PAE or available to apply to your purchase price.*

**INCLUDED IN PURCHASE PRICE:**

- *The purchase price of \$14,725,000 is for a boat per the standard specifications (see attached).*
- *The price also includes the modification package for lowering the stacks.*

**INTERIOR DÉCOR:**

- *Our agreement with the builder SCM is that the standard interior is to be "a higher level of elegance, décor, fit and finish than the N86." Basically,*

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Exhibit 235-1

*what this means is that the interior style is a blank piece of paper that you and Diane can define (within reason) at no additional charge. What you probably should do is go to an interior designer/stylist (we would recommend Scott Cole) to have the interior designed to meet your vision. The cost of Scott Cole's work would be on your side, but the cost of carrying out the work (again within reason) would be on our side. That said, additions to the boat that might come out of Scott's work would be on your side.*

**TERMS AND PAYMENT SCHEDULE:**

- *10% with the signing of the contract*
- *10% upon commencement of the hull lamination*
- *10% upon installation of the main deck*
- *10% upon installation of flybridge*
- *Trade-in delivered free and clear 90 days before launching of N120*
- *Balance up to 95% of purchase price upon launching of the N120 in China*
- *Final payment upon final delivery of and acceptance of the boat by you in China*

**TRADE-IN:**

- *We will credit you \$4,300,000 for N86 #2. We would ask for Aurora to be released to PAE 120 days prior to launching of N120 #1 in China. You are free to (and in fact, we encourage you to) sell Aurora yourself prior to the trade-in deadline-privately, thru the PAE brokerage or thru another broker. The \$4,300,000 should be looked at by you as your "safety net;" Aurora is probably worth much more than that.*

**TIMING:**

- *We can be "spraying gel coat" within 60 days after we have completed our agreement. We are estimating construction time at 27 months. Let's say that we sign contracts on October 1, 2009; then the schedule would be as follows:*
- *Hull lamination to commence- December 1, 2009*
- *Factory completion/launching- March 1, 2012*
- *Final delivery and ready for sail away at factory after sea trials- May 1, 2012*

**DELIVERY LOCATION:**

- *Because of the size, weight and capabilities of this boat, we don't consider it sensible to ship her. She can travel at nearly the same speed as some of the freighters that we use. So, our pricing model doesn't have any costs*

*for shipping, shipping insurance or duties. We have budgets for a team of PAE people to be on site in China for commissioning. Upon completion of commissioning, PAE will run the boat to Hong Kong where we will make final delivery to you.*

ADDITIONAL EQUIPMENT:

- *For equipment which is installed on the boat during the build or commissioning, PAE will supply it at cost +10% or charge a fee of 10% of the value if you supply it, plus costs of shipping, handling and installation.*
- *Your personal effects which are supplied to equip the boat will be handled at no charge.*

SECURITY:

- *PAE will provide a UCC filing showing Conconi's interest in the parts and work in progress up to the level of your deposit payments.*
- *PAE carries insurance on both the uninstalled parts and the work in progress. PAE will show Conconi as additional insured on that policy.*

Best regards,

Dan

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

From: Robert L ConconiBob [mailto:[rconconi@mac.com](mailto:rconconi@mac.com)]

Sent: Wednesday, September 02, 2009 7:57 PM

To: Dan Streech

Subject: 120

Dan, I am sincere, please help us keep the momentum going on this deal if we are going to contract. It is hard to juggle the players, my wife and everything and try some pretense that we are either interested or not.

We are sincere. We won't waste any of your time. Diane and I have to understand this is a once in a lifetime opportunity to conclude a deal.

The only other issues are the possibility of financial instability, what can we do to resolve this potential issues.

Tax people have suggested that we own the vessel from the get go.  
That way it can be depreciated from the beginning.

Maybe your fee (for vendor) is categorized differently.

We don't want to go through a period again without a vessel, we understand your desire to have a vessel to sell. We will keep the vessel perfect in every way.

Hope we can conclude a deal here?

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Exhibit 235-3