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**From:** Jeffrey Epstein <jeevacation@gmail.com>  
**Sent:** Wednesday, May 20, 2009 3:43 PM  
**To:** Gerald Barton  
**Subject:** Re: Distressed Properties

I will call Leon Black, and get the skinny

On Wed, May 20, 2009 at 11:32 AM, Gerald Barton <[REDACTED]> wrote:

Jeffrey,

I met on Thursday morning, May 14th, with Lee Neibart, one of the long-time leaders of Apollo=20 Realty. I believe recently they changed the name to AREA Property Partners.

We agreed that with few exceptions, every high quality, second home communities started or refinanc=d since 2005 are, or soon will be, in the hands of involuntary owners.=A0 Since these projects are extremely difficult to manage, they would be looking for a managing partner. =We discussed the advisability of Apollo, or others, investing \$15 million to \$20 million in Landmark, taking convert=ble preferred stock and putting Landmark in a position where it could put up approximately 10% of the equity needed to buy or rehabilitate these distres=ed communities. It is clear that in choosing the managing partner, the financial institution that is either buy=ng or working out the problem asset, would like to have a reliable, experience= managing partner that would also be required to have some "skin in the game". Lee said he would like to meet our staff and will come to Maryland in the future. The=date of the meeting has not yet been arranged.

The situation we followed the closest was Promontory, a 6,000 acre community near Park City, Utah.=A0 The project, which was six years old, was refinanced by Credit Suiss= in 2005 with \$350 million, which was \$200 million above book value. <=span>The property went into foreclosure and bankruptcy in 2008. Credit Suisse had sold all of the debt to hedge funds which were having their own problems. Credit Suisse couldn't put together a viable reorganization plan and the original developer bought=the project back for \$35 million. So far, most of the situations we have followed have sold in the range of 10% =o 20% of the face of the mortgage.

Five properties that we are following include:

=A0 1. Loreto Bay – A large resort project on the central coast of the Mexican Baja developed by a Vancouver based group. Citi=Alternative Investments has \$115 million of debt on the property which it is trying to sell.

=A0 2. Ginn Sur Mer – A development by Bobby Ginn on Grand Bahama Island =hat was financed by Credit Suisse and Lubert-Adler.

=A0 3. Hasentree – A 934-acre residential community with a Tom Fazio golf=course in Raleigh that was foreclosed on by Sun Trust. I think the primary housing in a good town like Raleigh will come back first.=/p>

=A0 4. Tamarack – A large ski and golf resort in southern Idaho that was =inanced by Credit Suisse and is now in receivership.

=A0 5. Snake River Sporting Club – A 360-acre development south of Jackso= Hole that is in Chapter 7. The community has a high quali=y golf course, but approval for only 65 units to be repositioned.

The key is to have someone with sufficient financial reputation that can get the attention of these financi=l institutions that are in chaos and either buy the notes at steep discounts =r negotiate an investment of last-in, first-out and give the institution a ho=e certificate if the rehabilitation is successful.

Jerry

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From: Jeffrey Epstein [mailto:jeevacat=on@gmail.com <mailto:jeevacation@gmail.com> ]  
Sent: Tuesday, May 19, 2009 8:58 PM  
To: Gerald Barton  
Subject: Re: caplinger

who did you meet with at Apollo? what are your top five=20 in the zombie book

On Fri, May 15, 2009 at 4:14 PM, Gerald Barton <pan [REDACTED]>  
<[REDACTED]> > wrote:

I have asked Stephen to set up the schedule and send it to you for review.

Gerald G. Barton  
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Upper Marlboro, MD =20 20773  
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Fax: ([REDACTED]) =

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From: Jeffrey Epstein [mailto:jeevacation@gmail.c=m]  
Sent: Friday, May 15, 2009 3:51 PM  
To: Gerald Barton  
Subject: caplinger

he is perfect , i need somone who can think in 3d vs me in 1/2=d.. he would fly to st thomas, probably needs two days and one night.. I c=n send him maps and topos, its simple for him impossible for me/