

To: jeevacation@gmail.com[jeevacation@gmail.com]; Jeffrey Epstein[jeevacation@gmail.com]
From: David Mitchell
Sent: Fri 2/24/2012 6:46:19 PM
Subject: RE: FW: 21 E. 26th St - 2-24-12

I think that this market(Madison Park Flatiron) in particular is very active and sales are tracking above my projections

Right now FT has

a \$250,000 investment and it is projected that you will get that
back plus an additional \$250,000

In addition FT bought a 30% interest in AdvanceStar (The Developer)

WITH BUILD OUT

FT has a 30% interest in AdvanceStar which is the Developer and receives the profits after the investors have received their investment back plus an amount equal to the investment .If the projections are on track FT will receive 30% of \$12,440,00 or \$3,732,000

WITHOUT BUILD OUT

In the event the white box scenario takes place and the units sell at the \$1300 a foot range AdvanceStar would receive \$4,166,118.00 and FT as 30% owner would receive \$1,249,835.40

If FT decides to do the Preferred Equity piece, it will allow the build out to happen and it will earn the 15% plus two points. For the purpose of this illustration I have taken the full amount of the preferred equity

\$824,100 interest

\$109,880 points

\$933,980 Total

Below see the two scenarios and the Preferred Equity

Project returns

Current without build out

\$500,000 from Investment

\$1,249,835.40 from 30% ownership in AdvanceStar

\$1,749,835 total return

\$950,000 investment in both

Build Out

\$500,000 from Investment

\$4,166,188.00 from 30% ownership in AdvanceStar

\$4,666,188.00 total return

\$950,000.00 investment in both

Returns on Preferred Equity

\$933,980.00

DAVID MITCHELL
Mitchell Holdings LLC
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New York NY 10065
USA



From: Jeffrey Epstein [mailto:jeevacation@gmail.com]
Sent: Friday, February 24, 2012 1:12 PM
To: David Mitchell
Subject: Re: FW: 21 E. 26th St - 2-24-12

do you think a 10 million dolloar penthouse sells there? please break out my invesment and returns as per your chart.

On Fri, Feb 24, 2012 at 10:48 AM, David Mitchell  wrote:

Dear Jeffery,

Please find 4 pages that briefly describes the below

First page is the current plan

Second page is the cost and projection for finishing out the units and selling them

Third page is the Waterfall (you have \$250,000 in the Class A investment and 30% of AdvanceStar,)

Fourth page is the Org Chart for more clarity

Tried to give you a snapshot but not leave anything out that is relevant

Please call me if you should have questions,

David,

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