

I don't feel awkward in the slightest. I think your people are interpreting what they see in a manner that is best for their perspective and to cover their asses. I think they're dead wrong.

None of the people responsible for this transaction 5 years ago are still at IGY nor have they been for many years. This was not a situation in which your investment was solicited. It was something on which you insisted if you recall. I was trying to accommodate your desire to own 50% of the asset personally because of the nexus to LSJ. It was difficult to implement at the time because it was a related party transaction, would be seen by everyone, and thus every benefit of the doubt had to be given to IGY in which you and I both represented investors. The transaction, as I understand it, was a fixed price contract for a 50% interest. I did not negotiate the price, the contract or anything else. I have absolutely no idea how the number was arrived at and by whom. On either side. I don't know who did the deal for you either. But my recollection is that you were clear with me that you wanted to own half of it and I told people to see to it. Period. It was a 50/50 deal on the real estate and IGY and was to have retained all of the other rights and benefits it would have had if you had never been admitted. IGY is a branding, management, leasing and fee based company. To the best of my understanding that is what was done.

My sense is that your team is trying now as hard as possible to demonstrate that something untoward happened. And its simply not true. The deal that was struck by those responsible for striking the deal (obviously not you or me) is the deal that was struck and the audits of the past 5 years seem to bear that out.

If it is your desire to continue to have your folks dig through this, then please do so. There is nothing to find, jeffery. I have tried to show you that I want to try to make you feel better about a deal that in retrospect you seem to think was wrong. But I can't fix the past. I have been trying to show you my love and respect for you by offering to address the future. But it does not seem adequate. I am at a loss now for what to do.

Your people struck a deal with IGY 5 or 6 years ago. It was what it was. I can't undo it. I'm upset that you're upset. But I can't seem to fix that either. So I surrender. Do what you think you need to do. I can't keep beating my management to reconstruct ancient history. They feel shitty that they are being treated as if they have done something wrong or have worked to obfuscate things when, in fact, they have been working hard to manage a difficult asset in a difficult environment. And they have done a solid job in a crappy market with an underperforming and aging asset.

I made a couple of proposals to you. Ultimately I will get criticized by shareholders, I'm sure, for doing even that which I have proposed to do, but, as I said, I love you, I'm sorry you're not happy, and I want to put it as right as I can given the circumstances. Few people in the world will say and do that for those they love, but I will. That said, given the nature of the deal, the history and the clarity of the documentation, I am hamstrung. If you want to sue IGY, then just do it. I'll have to deal with it when it comes.

What does suck for me, however, is that I feel that you don't trust or believe me and while your words don't say it everything else does. That hurts.

I will do what I can for the asset, with the financing and with the physical plant.

I am in Napa with Sandi, William Lauder and his closest friends for his birthday. We can talk next week,

but I'm telling you that you are reading what you were sent incorrectly and inferring the worst in everything you see here. When you decide what you want me to do, you can tell me. If I can appropriately do it, I will. But I'm out of ideas.

Xoxo ALF

From: Jeffrey Epstein [mailto:jeevacation@gmail.com]
Sent: Friday, April 12, 2013 06:45 PM
To: Farkas, Andrew L.
Subject:

I just glanced at the summary, it appears, that an acquisition fee, of 250 was charged then according the financials a gain on the sale to me of 250 k.? for my 50 % - foot note and then 750 paid to an affiliate? for the borrowing prior to my closing, . with no revenue offset.? but my guys will review over the weekend, please don't feel awkward, as i know you did not oversee this, and i never looked, If you recall we were going to be 5050 from the start. ?

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Jeffrey Epstein

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