

LAW OFFICES

MELTZER, LIPPE, GOLDSTEIN & BREITSTONE, LLP

190 WILLIS AVENUE, MINEOLA, NY 11501

TELEPHONE: [REDACTED]

FACSIMILE: [REDACTED]

INTERNET: [REDACTED]

Via Email

Video Conference Facilities

Nine East 71st Street Corporation
Mr. Jeffrey Epstein
c/o Darren K. Indyke, PLLC
301 East 66th Street
New York, New York 10065

Part 1215 to Title 22 of the Official Compilations of Codes, Rules and Regulations of the State of New York, entitled "Written Letter of Engagement" require that law firms and their clients enter into written Engagement Agreements in most situations. This is such an Agreement.

ENGAGEMENT AGREEMENT

Dear Mr. Indyke:

As you are aware, we are obligated under New York law to obtain an engagement agreement from clients prior to rendering legal services on their behalf and thus have prepared this letter agreement. You have asked us on behalf of Nine East 71st Street Corporation and Jeffrey Epstein to represent, initially, Herbert Rose, Inc. and, should either or both of Nine East 71st Street Corporation and Jeffrey Epstein be served with the Order to Show Cause papers and/or summons and complaint in the action entitled "McBride v. Nine East 71st Street Corporation, et al." (NY Co. Index No. 112776/11) (the "Action"), both of them as well in connection with the Action. You have represented to us your authority to bind Nine East 71st Street Corporation and Jeffrey Epstein to this agreement.

Our work will be performed at our normal hourly rates which, at the present time, are \$360.00 to \$600.00 for members of the Firm, \$335.00 to \$550.00 for of counsel to the Firm and \$260.00 to \$375.00 for associates. The work on this case will be performed or supervised by Thomas J. McGowan, Esq. whose hourly rate is \$440.00 and Pedram Tabibi, Esq. whose hourly rate is \$225.00. In order to proceed as counsel in the Action, the Firm will require a retainer of \$7,500. The retainer shall be applied to any services that have already been and will be rendered on behalf of Herbert Rose, Inc. and/or Nine East 71st Street Corporation and Jeffrey Epstein. The retainer amount represents neither a minimum nor maximum of the legal fees that may be billed in these matters. If the legal services rendered on are completed and the retainer has not been exhausted, the difference between the amount for the legal services rendered and the retainer will be returned to you.



Long Island's Business Law Firm sm

If at any time we perform any other legal services which extend beyond the scope of the engagement described in the preceding paragraph and we have not entered into a specific written Engagement Agreement with respect to such services, such services will be performed at the normal hourly rates in effect for the Firm at the time of performance. You agree on behalf of Nine East 71st Street Corporation and Jeffrey Epstein that our invoices will be paid by within thirty (30) days of the billing date stated on each invoice. If any invoices are not paid within thirty days of the billing date, any amount remaining on deposit for the payment of disbursements may be applied by the Firm, in its discretion, to said overdue invoices.

You agree on behalf of Nine East 71st Street Corporation and Jeffrey Epstein to a Credit Limit for this matter. The credit limit is Seven Thousand Five Hundred and 00/100 (\$7,500.00) Dollars. If at any time, the aggregate of (i) all outstanding bills rendered that are unpaid and (ii) the value of all unbilled time for services rendered by the Firm and the amount of all unbilled disbursements incurred in connection therewith, exceeds the Credit Limit you will be notified that this account has exceeded the credit limit. When the Credit Limit is exceeded, we will call you and ask for an immediate payment. You agree on behalf of Nine East 71st Street Corporation and Jeffrey Epstein to make an immediate payment to bring this account well under the Credit Limit.

In the event that any bills rendered by the Firm are not paid when due, and insufficient funds remain on deposit for the payment of disbursements that could be applied to pay said bills in full, you hereby irrevocably give your consent on behalf of Nine East 71st Street Corporation and Jeffrey Epstein to our (i) immediately ceasing any and all work being performed by us for your account and/or (ii) our withdrawal from any further representation of Nine East 71st Street Corporation and Jeffrey Epstein. You also hereby irrevocably give your consent on behalf of Nine East 71st Street Corporation and Jeffrey Epstein that, should a conflict of interest arise by and between Nine East 71st Street Corporation and Jeffrey Epstein on the one part and Herbert Rose, Inc. on the other part, other than in relation to the Action, that this Firm may resign as counsel for Nine East 71st Street Corporation and Jeffrey Epstein and remain as counsel for Herbert Rose, Inc. including in any dispute by and between them. In addition, you agree on behalf of Nine East 71st Street Corporation and Jeffrey Epstein that Herbert Rose, Inc. shall have no liability for any of the attorneys' fees and costs due under this agreement but that same shall be borne exclusively by Nine East 71st Street Corporation and Jeffrey Epstein.

In the event of any dispute with respect to the Action in which we have represented Nine East 71st Street Corporation and Jeffrey Epstein, if we are required to testify in any proceeding including in depositions, produce documents or other information or other form of discovery, or to respond to same, you agree on behalf of Nine East 71st Street Corporation and Jeffrey Epstein to pay us for the time expended doing this (including preparation time) at the then normal hourly rates plus disbursements, plus any other costs relating thereto (including, but not limited to, the cost of counsel retained by us in connection with any such proceedings). The prevailing party shall also be entitled to recover its reasonable attorneys' fees if there is litigation to enforce the terms of this agreement.

In the event of any dispute arising out of or relating to this agreement and/or the legal services rendered hereunder, you agree on behalf of Nine East 71st Street Corporation and Jeffrey Epstein and the Firm hereby agrees that such dispute shall be determined by binding arbitration before one arbitrator in Nassau County, Long Island, New York, in a proceeding by and before, and in accordance with, the rules of, the Nassau County Bar Association Alternative Dispute Program. The result of the arbitration will be binding on the parties, the parties waive any right to de novo review of any arbitration award, and judgment on the arbitrator's award may be entered in any court having jurisdiction. By signing this Agreement, you acknowledge on behalf of Nine East 71st Street Corporation and Jeffrey Epstein (i) that you have been advised as to the terms of this agreement and, among other things, your right to use the fee arbitration procedures of The New York State Fee Resolution Dispute Program contained in Part 137 of the Rules of the Chief Administrator of the Courts (hereinafter "Part 137") and (ii) that you are not required to agree to arbitrate a fee dispute in any other arbitral forum outside Part 137. By signing this Agreement you and the Firm each agree to **waive their rights with regard to arbitration pursuant to Part 137, which includes the right to reject the arbitrator(s) award by commencing an action on the merits (trial de novo) in a court of law.**

If you have any questions concerning these alternative arbitration selections, or do not understand anything about these arbitration choices, please call me immediately.

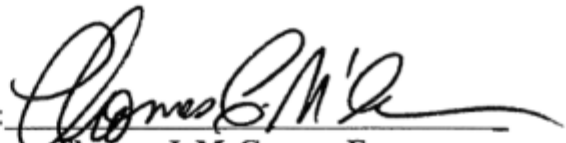
The Miscellaneous Rules attached hereto form a part of this Agreement.

We look forward to serving your legal needs and thank you for retaining our Firm.

THIS ENGAGEMENT AGREEMENT IS
ENTERED INTO AS OF THE ____ DAY
OF NOVEMBER, 2011

MELTZER, LIPPE, GOLDSTEIN
& BREITSTONE, LLP


Darren K. Indyke, PLLC

By: 
Thomas J. McGowan, Esq.

Credit Limit \$ 7,500.00 ____ (client initials)

MISCELLANEOUS RULES

1. If, at any time, either (i) you elect on behalf of Nine East 71st Street Corporation and Jeffrey Epstein to terminate the engagement of the Firm or (ii) the Firm elects to withdraw from the engagement, any excess of the initial retainer over the charges incurred by the Firm prior to the termination of the engagement, if any, will be refunded to you on behalf of Nine East 71st Street Corporation and Jeffrey Epstein.

2. The hourly rates are exclusive of disbursements and charges incurred by the Firm on your behalf for such items as photocopies, word processing, computerized legal research, telecopying, messenger or overnight delivery service, long distance telephone charges, travel and, if applicable, filing fees and court costs, such as transcripts, index fees, etc. You will be billed separately for such disbursements.

Third-party disbursements are billed at 1.2 times actual cost. If you do not wish to pay 1.2 times for third-party disbursements, you may choose one of the following alternatives (please initial your selection):

OK

I hereby elect to pay third-party disbursements from funds held by the Firm as a retainer. If there are insufficient funds remaining in any unused portion of the retainer with which to pay third-party disbursements and the retainer is not immediately replenished, then third-party disbursements shall be thereafter be billed at 1.2 times actual cost unless paid directly by you upon demand by the Firm.

I request that you notify me each time a third-party disbursement must be paid and I will send you the appropriate check promptly Upon receipt of your request. I understand that my selection of this procedure is likely to cause delays in the handling of my matter and such delay may adversely impact my matter. I relieve you of any responsibility for such delay.

3. The Firm will submit bills to you on behalf of Nine East 71st Street Corporation and Jeffrey Epstein on a monthly basis via mail, at which time you will also be provided with a summary of the work performed. In addition, we maintain at our office computer time and disbursement records, which will be available for your inspection.

4. The arbitration of any dispute will be conducted in accordance with the procedures in this Agreement and the rules of the Alternative Dispute Resolution Tribunal of the Bar

Association of Nassau County, Inc. as in effect on the date of the Engagement. In the event of a conflict, the provisions of this Agreement will control.

Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of these procedures, including any contention that all or part of these procedures are invalid or unenforceable, shall be resolved by the arbitrator. No potential arbitrator may serve unless he or she has agreed in writing to abide and be bound by these procedures.

The arbitrator shall have no power to award punitive damages or any other damages not measured by the prevailing party's actual damages, and the parties expressly waive their right to obtain such damages in arbitration or in any other forum. In no event, even if any other portion of these provisions is held to be invalid or unenforceable, shall the arbitrator have power to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction.

No discovery will be permitted in connection with the arbitration unless it is expressly authorized by the arbitrator upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. Neither the parties nor the arbitrator may disclose the existence, content or results of the arbitration, except as necessary to comply with legal or regulatory requirements. Before making any such disclosure, a party shall give written notice to all other parties and shall afford such parties a reasonable opportunity to protect their interests.

Potential arbitrators shall disclose to all parties any conflicts they may have with one or the parties and their representative prior to any hearing.

Any change in the hourly rate can be made after one year after this agreement is executed upon three month advance notice to you on behalf of Nine East 71st Street Corporation and Jeffrey Epstein.

**WIRING INSTRUCTIONS FOR TD Bank OPERATING ACCOUNT
THIS IS THE MAIN ACCOUNT**

Bank: TD BANK
225 N Broadway
Hicksville, NY 11801

Account: Meltzer Lippe Goldstein & Breitstone LLP
Operating Account
190 Willis Avenue
Mineola, NY 11501

Acct #



RT #



Please reference client and invoice number.