

Memorandum

To: Jeffrey Epstein

From: Emad Hanna

Re: Tiki House Kitchen (project #9)

Date: 05-31-05

The new owner of Kalamazoo Outdoor Gourmet (formerly The Kalamazoo Grill) is offering to give us a credit for the \$ 13,265 paid towards the completion of the original order or we can apply it towards any other product. The price that we originally had would not be honored and the credit would be applied to their current price list.

Please review the attached sheet, which shows their new discounted price of \$ 25,962 vs. the original price of \$ 17,589 an overall increase of \$ 8,373.

Current options at this time:

- 1) Not pursue this grill and try to recoup our deposit from the now bankrupt company.
- 2) Go ahead with the original order at an additional cost of \$ 12,697.
- 3) Reduce the scope of the order to minimize additional costs.

Please advise on how to proceed.