

From: David Mitchell <[REDACTED]>
To: Jeffrey Epstein <jeevacation@gmail.com>
Subject: <no subject>
Date: Sun, 05 Nov 2017 15:16:18 +0000

DEAR STEVE:

THE MOST IMPORTANT TWO FACTS ARE:

1. WE NEED TO CLOSE OUT CONSTRUCTION AND GET A TCO SO THAT BOTH OF US ARE OFF ANY CONSTRUCTION GUARANTEE FOR COMPLETION
2. WE MAKE THE FUNDS AVAILABLE FOR THE RESTAURANT WORK THROUGH, AS THERE IS NO OTHER SOURCE OF FUNDING AND EVERY DOLLAR IS ACCOUNTED FOR IN DETAIL

PLEASE SEE MY RESPONSE IN CAPS

On 11/4/17, 11:57 AM, "Stephen Hanson" <[REDACTED]> wrote:

David

Now that you have received funding for 3.5m – NET FUNDING WAS \$3,275,000 APX, WILL BRING CLOSING STATEMENT ON MONDAY

We need to organize how we can complete the hotel and restaurant open items

I can come over to your office on Sunday to review the below I NEED TO CATCH UP TODAY AND PREPARE FOR THE BANK REVIEW ON MONDAY SO EVERYONE ELSE CAN GET PAID

I have cc Randy and howie so we can all address this first point

1/First - we had always agreed once the project started to be delayed along with AP not being funded a new \$800k budget was needed for the restaurant-this budget was based from the day of funding - and with a September opening — which so far neither obviously has happened

we both had agreed to personally fund the restaurant with \$200k each -this was back before summer when we thought we would open in late August

Then in September when you were relying on Arcade to fund a bridge loan - and we needed funds to complete time and weather sensitive construction items - ie the new roof, sidewalk and other items -which I funded - we both agreed to fund construction with \$200k and where to be repaid when Arcade funded -

-Arcade walked away from the loan and we were never reimbursed

-Then when Crescendo stepped in to advance you the 3.5mm loan -you advised them that \$750k was going to the restaurant - this is not correct- why you positioned the proceeds this way is not accurate

We both need to be reimbursed from the Crescendo hotel loan -my loan is higher than \$200k at this point - but reimburse each of us so we can then personally fund the restaurant- as we agreed upon

So the hotels additional funding of the restaurant is \$350 k not \$750

THE TOTAL AVAILABLE FOR THE RESTAURANT IS \$700,000, HOWEVER THIS IS CALCULATED EITHER AS REIMBURSEMENT TO YOU AND I AND THEN RE LOAN OR TOTAL NEW LOAN TO RESTAURANT

TO DATE THE RESTAURANT HAS RECEIVED AROUND \$650,000

ESCROW ACCOUNT HAS \$722,000 WHICH IS THE \$700,000 STATED ABOVE AND \$22,000 FOR ALAN'S REIMBURSEMENT FOR PAYROLL LAST WEEK

2/ Still to be addressed - which you have not responded to - is an outline as to the possible shortfall in the

restaurant we could endure from January to April - complete budget sent to you weeks ago SEE ABOVE
PLEASE

3/ I'm told you only are funding the restaurant \$700 k because you subtracted last weeks PR? This is not correct in addition there are AP items that are not the restaurant responsibility -ie tasting for bankers and loan people LUNCH FOR 3 PEOPLE COULD NOT OF BEEN THAT MUCH AND IF NEED BE I WILL PERSONALLY PAY FOR THE FOOD COST - the charity event on Monday to promote the hotel I WAS NOT AWARE OF ANY EVENT , UNTIL AFTER THE FACT ,ALSO UNDERSTAND MONDAY'S EVENT GENERATED INCOME FOR THE RESTAURANT AND NOT THE HOTEL - we can address this at tomorrow's meeting SEE ABOVE PLEASE

4/ AP - how these accounts are paid off- following the AP list you advised lenders would be cured - you need to complete before they lean the hotel- as a few have threatened NO LIENS HAVE EVER BEEN FILED EVER, AND THAT WAS I NEED TODAY FOR TO MAKE SURE ALL CONSTRUCTION PAYABLES FOR WORK DONE ARE PAID SEE ABOVE

5/ Construction- Friday's meeting with skyland seemed to put us on track -issue now is how hard will they push to complete in next 2 weeks - we need gary on board -I hear he is waiting for his payment before he will resume -but we can complete if everyone gets aggressive and bring trades back to site

We need plumbing and Electric punch list items - Chefs are working on their list we will need gary to complete hotels items -especially items needed for tco

GARY IS FULLY AWARE OF FUNDING AND IS ON BOARD

6/ Speakeasy as skyland pointed out at yesterday's meeting and we both understood -there is little they need to contractually complete in the speakeasy as most items are now change orders going forward

Items to complete will be reviewed on Monday with Tara - skyland and gary

- your office has still not answered where the banquette fabric is - for starters AS YOU SAW YESTERDAY, YOUR OFFICE WAS GIVEN THIS INFORMATION 3 TIMES AND HAS CONFIRMED YESTERDAY THAT TWO WEEKS AGO THEY RECEIVED THE SAME

Banquets- to be built

-Lighting will reviewed with Tara on Monday -

-front vestibule landing

Bar entire unit

Need to address that AC unit in the new area at bar we developed. \$ 7k NOT IN THE BUDGET I BELIEVE BUT WILL CHECK

One AP item that needs to ASAP be paid is the soundproofing- we will need this also in the speakeasy bar area - WILL CHECK IF IN BUDGET AND PAYABLES

7/ When will you be in your office on Sunday - I'll come over as you suggested on Friday I WILL HAVE THE ABOVE PREPARED SO WE CAN MEET EARLY MONDAY TO GO THROUGH, I NEED TODAY ALONE TO DO THIS

As we need a great outline prior to Monday's hopefully jump start to complete lobby in 10 days- speakeasy in 3 weeks

hopefully we can then try to get some xmas party business - looking at the hotels occupancy it falls off the cliff after 12/18 but maybe we can capture some business - this brings me back to the restaurants operating budget - we need to address a possible winter shortfall above the \$750 k opening budget NEED TO MAKE THE \$700,000 WORK SOMEHOW, THEREIS NO OTHER FUNDING AVAIALBLE

8/. Hotel funding operating funds to be released on nov 8. We need these funds to stay with hotel as they have vendors putting the hotel on COD and as Denise has mentioned - they are almost out of hair wash and we have run out of slippers weeks ago - now that the cold weather is here these are essentials I AM AWARE

You can not use these funds for construction AP. OR RESTAURANT OPERATIONS

I hear we are \$180 k over 45 days with AP and have \$300 k closing in on 30 days WILL GO OVER ON MONDAY

AS YOU KNOW THIS IS NOT UNUSAL AS WE RECEIVE LOCK BOX FUNDING 30 DAYS AFTER IT IS RECIVED

Let's also review on Sunday

9/ As you agreed on- you need to pay Stacy Gilbert so she can resume the accounting process

—What time Sunday??

Sent from my iPad