

Fancelli claims that he is owed roughly \$50,000 on outstanding invoices (\$18,618 in travel expenses and 22,500 Euros for "Executed Work"), has already demanded additional payment to address many of the woodwork issues and the restaining and refinishing, and will do nothing further on this project until all of these amounts are paid.

Pursuant to your memo to Mr. Edelman and me of today's date, you have confirmed Mr. Molyneux's agreement to pay the balance of \$18,618, which Fancelli claims to be outstanding for travel crew expenses. You have also confirmed Mr. Molyneux's agreement to pay for the marquetry proposed by Fancelli for the exterior facing sides of the window shutters in the library (estimated by Fancelli at 47,992 Euros), as well as the costs to stain the cabinetry. However, you have not confirmed your client's agreement to pay 22,500 Euros, which Fancelli claims to be outstanding for "Executed Work". Moreover, you have advised that Mr. Molyneux will not pay for any of the "Punch List items" designated 1 through 9, claiming that these are general punch list items which are usually completed by the craftsmen at no cost.

As to these items, Mr. Edelman contends, for example, that:

- With respect to punch list item 2, there were no escutcheons provided for in the design or the plans that your client approved for the Cabinetry, which, if true, is an obvious design omission by Mr. Molyneux.
- With respect to punch list item 5, the frames around the sliding panels "were intended to allow daylight to show through," which, if true, is yet another serious design flaw for window shutters which were supposed to have completely prevented exterior light from the room.
- With respect to punch list item 9, "CAD Plans submitted to Mr. Molyneux did not provide for symmetrical panels", which, if true, is completely contrary to Mr. Epstein's design instructions that the cabinetry should be a reproduction of the cabinetry in El Escorial and, frankly, makes no sense whatsoever.

In each of these cases, as well as others, Mr. Edelman has specifically informed us that his client expects to be paid for this work, and by your memo today, you have advised both Mr. Edelman and me that Mr. Molyneux refuses to do so. These are issues for which Mr. Epstein bears no responsibility and must be resolved between Mr. Molyneux and Mr. Fancelli.

Moreover, both you and Mr. Edelman specifically asked that we provide you with a complete list of all that we believed would be required to complete the library woodwork, which was to include items in addition to those listed on the September 8 list. We delivered this list on October 4, 2010. Now, Mr. Edelman has refused to address any items on the October 4 list that were not on the September 8 list. All of the items on the October 4 list, which you, yourself, acknowledged, in an October 7, 2010 memo to Mr. Edelman, were deemed justified by Mr. Molyneux, must be properly addressed to complete the woodwork.

In light of your personal efforts to resolve this matter and as a good faith gesture to you, I will obtain more photos in response to Mr. Edelman's requests. However, time is quickly running out and this really must be resolved, either out of court or in court. As you know, we have created a complete video record to demonstrate all of the shoddy work on the library cabinetry should it be necessary to proceed with litigation. The choice is Mr. Molyneux's.

THIS LETTER IS FOR SETTLEMENT PURPOSES AND WITHOUT PREJUDICE TO ANY AND ALL RIGHTS AND CLAIMS OF JEFFREY EPSTEIN AND L.S.J., LLC AGAINST JUAN PABLO MOLYNEUX, J.P. MOLYNEUX STUDIO, LTD., FANCELLI PANELING, INC. AND/OR JEAN PIERRE FANCELLI, ALL OF WHICH RIGHTS AND CLAIMS ARE HEREBY EXPRESSLY RESERVED. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NEITHER THIS LETTER NOR ITS TERMS ARE ADMISSIBLE IN ANY COURT PROCEEDING INVOLVING JEFFREY EPSTEIN, L.S.J., LLC, JUAN PABLO MOLYNEUX, J.P. MOLYNEUX STUDIO, LTD., FANCELLI PANELING, INC. AND/OR JEAN PIERRE FANCELLI.

Sincerely,

Darren K. Indyke