

**DARREN K. INDYKE**

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April 15, 2010

**VIA EMAIL ([REDACTED], [REDACTED])  
and Federal Express**

Juan Pablo Molyneux  
J.P. Molyneux Studio  
c/o Jay Goldberg, Esq.  
250 Park Avenue  
Suite 2020  
New York, New York 10177

Re: Agreement for Design Services dated May 15, 2009  
by and among Juan Pablo Molyneux, J.P.  
Molyneux Studio, Ltd., L.S.J., LLC and  
Jeffrey Epstein (the "Design Services Agreement")

Gentlemen:

Pursuant to Section 7 of the Design Services Agreement, this letter constitutes notice, on behalf of Mr. Epstein and L.S.J., LLC, of your numerous breaches of the Design Services Agreement.

Pursuant to Section 5 of the Design Services Agreement, it is a material term of that Agreement that you were to furnish and cause to be properly installed and completed at the Office Pavilion by April 15, 2010 all of the items listed on Exhibit B to the Design Services Agreement and that the Office Pavillion was to be completed to Mr. Epstein's reasonable satisfaction by April 15, 2010.

Through numerous telephonic communications, letters and emails dating back several months, we have informed you and your attorneys of substantial and serious failures by you to perform your obligations under the Design Services Agreement. Most significantly, you were required to cause the cabinetry for the library of the Office Pavillion to be properly installed, restained, refinished and completed to Mr. Epstein's reasonable satisfaction. However, you failed to do so, even though Mr. Epstein agreed to extend the original January 1, 2010 completion deadline two times in order to provide you with ample time to perform your obligations. As you are aware, the last extension of that completion deadline under the Design Services Agreement expired today, April 15, 2010. As of today's date, despite our many requests for you to correct the multiple problems and deficiencies in the cabinetry, it remains in shoddy, defective and substandard condition.

The cabinetry, invoiced at \$780,000, was to be a custom built fine reproduction of the elegant antique cabinetry in the library of El Escorial in Spain. Mr. Epstein and you agreed on the cabinetry based, in part, on a rendering you provided to Mr. Epstein. As clearly indicated in the rendering, the cabinetry was to be darkly stained with a wax finish. In addition, as per your own design, real tortoise shell inlays were to be applied to the cabinetry, as well as elegant wood animal sculptures with an aged appearance. The cabinetry, as currently installed and presented to Mr. Epstein, does not conform to any of these requirements. Mr. Epstein properly rejected the cabinetry and has repeatedly requested that the installation, restaining and refinishing work on the cabinets be properly completed as required by the Design Services Agreement.

Although this letter does not purport to provide an exhaustive list of the defects in the cabinetry, as we have repeatedly advised you (and indeed demonstrated by photographs sent to both you and your attorneys), in various places, the wood is blemished, pockmarked, rough, splintery and cracked. Decorative holes on the cabinetry are incompletely finished, unsanded and also splintery. Carpenters guides for those decorative holes remain evident on many cabinet pieces. Instead of elegant animal sculptures with an aged appearance, applied to the cabinets are rough and simplistic carvings appearing to have been newly applied. The hardware installed on the cabinetry is also defective; the marine fauna cabinet handles on the cabinets unscrew and come off when they are turned to open the cabinets. Your failure to correct these defects, despite our repeated demands for you to do so, represents a substantial breach of your obligations under the Design Services Agreement.

In addition, we have recently learned that instead of real tortoise shell that was required to be applied to the cabinets, a thin cheap colored plastic veneer only simulating tortoise shell has been glued to the wood surface.

Moreover, the cabinetry has not been restained and refinished as required by the Design Services Agreement. Your self-serving claims that the color and finish of the cabinetry are adequate were obviously made in bad faith. As demonstrated by

the photographs sent to you and your attorneys, the original finish with which the cabinetry was delivered is discolored, and unevenly and sloppily applied, creating an inconsistent, dirty and cheap appearance. The color of the cabinets is a light color totally contrary to the rendering provided by you and agreed to by Mr. Epstein, which shows the cabinets with a dark rich antique appearance. Though you have been advised of this problem for more than two years, and agreed to correct it as part of your obligations under the Design Services Agreement, you have done nothing to fix the problem in the 11 months that followed your execution of the Design Services Agreement. To the contrary, despite Mr. Epstein's repeated requests for you to send dark stain samples with alternative finishes, you delayed sending Mr. Epstein any stain and finish samples for months. When you did send him those samples, you sent him only a few virtually indistinguishable light color stain samples with the same identical finish, knowing full well that such samples were not what Mr. Epstein requested and not what your agreement with Mr. Epstein required.

In a feeble attempt to avoid liability for your anticipated failure to meet the then upcoming April 15 completion deadline, on or about March 22, 2010, you informed Mr. Epstein for the first time that the cabinetry could not be restained and refinished in time because ambient humidity levels in the Office Pavilion and the moisture content of the cabinetry exceeded certain requirements. Although it was your and your refinisher's obligation to inform Mr. Epstein's team of these requirements well in advance to ensure that proper conditions existed for the refinishing work required during your March trip, you did not do so until you actually arrived on the Island in March. You then left the Island without doing any refinishing work. Moreover, when Mr. Epstein demanded that you restain and refinish the cabinetry as you were required to do, you told Mr. Epstein that you would only do so if he gave you a release.

In response to your highly unusual and suspicious demand for a release, Mr. Epstein engaged his own specialist to inspect the cabinetry and received a shocking report. The real reason that the cabinets could not be restained and refinished was that the cabinets had been limed. This made it impossible for the lime-treated wood to accept a dark stain and wax finish. The cabinets must now be sanded and stripped completely, further worsening their already defective condition, with no reasonable likelihood that subsequent restaining and refinishing could achieve the required result. You knew of this when you entered into the Design Services Agreement and concealed it from Mr. Epstein, knowing full well that it would be impossible to restain and refinish the cabinets as you agreed to do. Your delays, deception and other blatant misconduct represents not only a breach of your obligations to restain and refinish the cabinetry under the Design Services Agreement, but also a breach of your implied obligations of good faith and fair dealing under the Design Services Agreement.

There are numerous other defects in the quality, appearance, carpentry, stain and finish of the cabinets, but in sum, they are completely unacceptable,

unsatisfactory and totally inconsistent with both your rendering and the level of quality and craftsmanship that should be inherent in custom built furniture invoiced at more than three quarters of a million dollars.

In addition, you have failed to deliver by April 15, 2010 numerous other items and services required of you under Exhibit B to the Design Services Agreement, despite repeated demands for you to do so. You have failed to provide a reasonably acceptable design for the ceiling, the lighting and the flooring of the Office Pavilion. You have failed to deliver the guest desk chair for the library that you originally rendered to Mr. Epstein. Contemporary lamps required to be delivered by you pursuant to Exhibit B of the Design Services Agreement have not been delivered. The two celestial and terrestrial globes required to be delivered by you, though delivered, were not as originally rendered by you to Mr. Epstein and are also unacceptable. Mr. Epstein has made several demands for you to comply with your obligations to deliver these items, but you have refused to do so.

Mr. Epstein has also made several requests for you to perform your obligations with respect to the side office of the Office Pavilion and you have refused to do that as well. Despite your obligation under the Design Services Agreement to complete the Office Pavilion to Mr. Epstein's reasonable satisfaction, the side office remains as nothing more than four blank walls.

In addition, although Exhibit B requires you to provide, and we have repeatedly requested, all back-up documentation for the costs of your Exhibit B items and services, which you claimed to exceed \$300,000, no such back-up documentation has been provided. This is itself a breach of the Design Services Agreement.

Based on the information we have gathered since entering into the Design Services Agreement and the repeated instances of your deceit, concealment, delays and obstruction, it is now evident that you entered into the Design Services Agreement in bad faith and never had any intention of fully honoring your contractual obligations. In fact, your serious misconduct against Mr. Epstein and L.S.J., LLC, not only constitute multiple breaches of your obligations to perform by the contractually required April 15, 2010 completion deadline, as well as your obligations of good faith and fair dealing, but they undermine the consideration and indeed the very reasons for which Mr. Epstein and L.S.J., LLC entered into both the Design Services Agreement and the Settlement Agreement with you in the first place. As a result, Mr. Epstein and L.S.J., LLC intend to pursue all available remedies against you.

Pursuant to Section 7 of the Design Services Agreement, notice of your numerous breaches of the Design Services Agreement is hereby given. You have ten days within which to cure these breaches, failing which L.S.J., LLC and Mr. Epstein will commence action to pursue all claims against you, whether under the Design Services Agreement or otherwise.

This letter is without prejudice to Mr. Epstein's and L.S.J., LLC's rights and claims against you, Fanceli and others, whether under the Design Services Agreement or otherwise. Nothing provided in this letter is intended to waive any such rights and claims, all of which are hereby expressly reserved.

Sincerely,

Darren K. Indyke