

DRAFT FOR SETTLEMENT PURPOSES ONLY

THIS AGREEMENT, entered into this ___ day of August, 2010, by and among Jeffrey Epstein, L.S.J., LLC, Juan Pablo Molyneux, J.P. Molyneux Studio, Ltd., John Pierre Fancelli, and Fancelli Paneling, Inc.

WHEREAS, the parties hereto desire to settle all Disputes of any kind past and present that exist or may exist between them;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements, promises and other provisions contained herein, Jeffrey Epstein, L.S.J., LLC, Juan Pablo Molyneux, J.P. Molyneux Studio, Ltd., John Pierre Fancelli and Fancelli Paneling, Inc (the "Parties"), intending to be bound, hereby agree as follows:

1. On or before August __, 2010, Molyneux shall wire transfer to the account of Jay Goldberg, P.C., Chase Manhattan Bank Acct. # [REDACTED] 9296 in the amount of \$450,000, who agrees to further hold in escrow, in accordance with this Agreement, and to further contribute from the said account of Jay Goldberg, P.C. an additional sum of \$50,000 all to be paid to Jeffrey Epstein upon fulfillment of the provisions of this Agreement to an account designated in writing by Jeffrey Epstein.

2. Darren Indyke shall hold in escrow general releases in the form annexed hereto as Exhibit B and upon fulfillment of the provisions of this Agreement, deliver such general releases to Jay Goldberg, P.C., 250 Park Avenue, 20th Floor, New York, New York 10177.

3. John Pierre Fancelli, Fancelli Paneling, Inc. shall undertake no later than __ day of __ 2010, upon receipt of a certification from Gary Kearny that the wood is dry, the restaining and refinishing of the cabinets on L.S.J. with the color previously agreed upon by Juan Pablo Molyneux, J.P. Molyneux Studio, Ltd. and Jeffrey Epstein.

4. John Pierre Fancelli, Fancelli Paneling, Inc., shall undertake no later than __ day of __ 2010, to remedy the items listed in the "punch list" as set forth in Exhibit A.

5. Upon the written declaration of Jeffrey Epstein, who shall act in a reasonable manner, attesting that the staining has satisfactorily been completed and the punch list items in Exhibit A having been remedied, or if there be no agreement and a dispute whether the work has been done in a manner reasonably satisfactory to Jeffrey Epstein, all parties agree that the dispute shall be laid before the Honorable Thomas Moore, former United States District Judge for the territory of the Virgin Islands who shall render a decision and find either that the work has been satisfactorily completed or set a date by which the work shall be completed, and his decision shall be final and non-appealable.

6. Upon occurrence of either condition set forth in 5 above, Darren Indyke shall deliver the general releases in the form annexed hereto as Exhibit B, in favor of Juan Pablo

Molyneux, J.P. Molyneux Studio, Ltd., John Pierre Fancelli, and Fancelli Paneling, Inc., which he has held in escrow to Jay Goldberg, P.C. 250 Park Avenue, 20th Floor, New York, New York 10177 and Jay Goldberg, P.C., thereupon, shall wire the sum of \$500,000 to an account designated in writing by Jeffrey Epstein.

7. With the receipt of the general releases and the payment of the monies referred to above, Juan Pablo Molyneux and J.P. Molyneux Studio, Ltd. shall file a dismissal with prejudice in the case of Juan Pablo Molyneux and J.P. Molyneux Studio, Ltd. against Jeffrey Epstein, Case No. 3:10-cv-00034 now pending in the United States District Court for the Territory of the Virgin Islands.

8. And it is further agreed, by entering into this Agreement, the Parties do not intend to make, nor shall they be deemed to have made, any admission of liability of any kind whatsoever. The Parties agree that they are entering into this Agreement for the purpose of settling certain disputes between them and to avoid further expense with respect to those disputes.

9. The parties further agree that the existence, terms, and consideration paid pursuant to this Agreement are strictly confidential and that this Agreement will not be filed in any court, except in proceedings to enforce this Agreement. No Party may reveal any facts about this Agreement or the terms of this settlement without the prior, written consent of each of the other Parties; provided, however, that a Party may disclose facts about the settlement (i) to its or his employees, accountants and attorneys who require the same for the purpose of performing their employment duties or providing professional services to such Party; (ii) to its insurers or re-insurers; (iii) as required by any law, regulation, or rule of a court or court agency; or (iv) in response to a duly authorized subpoena or court order. Before disclosing any facts about the settlement under provisos (i) or (ii) above, the Party making the disclosure shall inform the receiving party of the terms of this confidentiality provision and shall take reasonable measures to ensure that the receiving party agrees not to make further disclosures of the requested information. At least five business days prior to disclosing any facts about the settlement under provisos (iii) or (iv) above (other than in connection with proceedings to enforce the provisions of this Agreement), to the extent permissible by law, regulation, rule of a court or court agency or court order, the Party making or asked to make the disclosure shall inform each of the other Parties of the proposed disclosure or request for information, and shall, at the request of any Party and at the cost of such requesting Party, file any disclosure or response to the request for information about the settlement or the terms of this Agreement pursuant to a motion or other formal request that the information be maintained in confidence and/or held under seal.

10. This Agreement, constitutes the entire agreement between the Parties regarding the settlement of the Disputes. Each Party acknowledges that such Party has not executed this Agreement in reliance on any representation, inducement, promise, agreement, or warranty that is not contained in this Agreement.

11. The Parties agree that the prior drafting history of this Agreement shall not be used to construe any term of this Agreement. This Agreement has been negotiated by each Party and such Party's respective attorneys, and the language hereof will not be construed for or against any such Party as the principal drafter of this Agreement.

12. The individuals signing this Agreement and the Parties on whose behalf such individuals are signing hereby represent and warrant that they are empowered and authorized to sign on behalf of and bind the Parties for whom they have signed.

13. The Parties represent and warrant that, as of the Effective Date of this Agreement, they have not assigned, conveyed, or otherwise transferred the rights to any claims, demands, causes of action, rights, or obligations related in any way to the claims to be released in paragraphs 3(a) and 3 (b) to any other person or entity, nor shall they hereafter do so.

14. Each Party agrees that this Agreement shall be binding upon the heirs, successors, and assigns of each Party.

15. Each Party represents and agrees that such Party: (i) has fully reviewed this Agreement and has had the opportunity to seek advice by independent counsel of its choosing with respect to the same; (ii) fully understands the terms of this Agreement and has entered into this Agreement voluntarily without any coercion or duress on the part of any person or entity; and (iii) was given adequate time to consider all implications of this Agreement prior to entering into it.

16. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures of this Agreement transmitted by fax shall have the same effect as original signatures.

17. This Agreement may not be amended or modified except by a written instrument executed by the duly authorized representatives of all of the Parties. Any waiver of any provision hereof must be in writing and signed by the party to be charged with such waiver. Any such waiver shall be effective only in the specific instance and for the specific purpose for which such waiver is given. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Agreement, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

18. Should any litigation be instituted by any of the parties for the enforcement of the provisions of this Agreement, the losing party shall pay to the prevailing party, reasonable attorney's fees in an amount to be determined by the Court.

19. The fulfillment of the terms of this Agreement is intended to bar any and all actions, litigations, arbitrations and mediation between the parties for conduct now known or presently unknown.

20. Any statements, communications or notices to be provided pursuant to this Agreement shall be in writing and sent by hand delivery or by reputable overnight courier to the attention of the Parties indicated below, until such time as notice of any change of person to be notified or change of address is forwarded to all Parties:

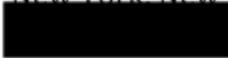
(a) For Jeffrey Epstein and L.S.J., LLC:

Darren K. Indyke, Esq.
301 East 66th Street, 10B
New York, New York 10065



(b) For Juan Pablo Molyneux, J.P. Molyneux Studio, Ltd., John Pierre Fancelli and Fancelli Paneling, Inc.:

Jay Goldberg, Esq.
250 Park Avenue
Suite 2020
New York, New York 10177



21. This Agreement shall be governed by and construed in accordance with the laws of the Virgin Islands applicable to agreements entered into entirely within the Virgin Islands, without regard to the principles of Virgin Islands law regarding conflicts of laws.

22. Each Party irrevocably and unconditionally submits to the exclusive jurisdiction of any court sitting in the Virgin Islands over any suit, action or proceeding arising out of or relating to the Disputes. Each Party agrees that service of any process, summons, notice or document as provided in Section 14 hereof shall be effective service of process for any action, suit or proceeding brought in any such court. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in such court has been brought in an inconvenient forum. Each Party agrees that a final, non-appealable judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon such Party and may be enforced in any other courts to whose jurisdiction such Party is or may be subject, by suit upon judgment.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by themselves or their duly authorized representatives, as the case may be, as of the date of the day and year first above-written.

Jeffrey Epstein

L.S.J., LLC

By _____
Jeffrey Epstein

Juan Pablo Molyneux

JUAN PABLO MOLYNEUX STUDIO LTD.

By _____
Juan Pablo Molyneux

John Pierre Fancelli

FANCELLI PANELING, INC.

By _____
John Pierre Fancelli