

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.

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.. 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.

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.

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 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.

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