

February 24th, 2010

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Via E-Mail: [REDACTED]
And Regular Mail
Darrren K. Indyke
301 East 66th Street, 10B
New York, New York 10006

Dear Mr. Indyke:

As per the Design Services Agreement dated May 15, 2009, signed by Juan Pablo Molyneux and Jeffrey Epstein, \$250,000 was allocated to items purchased for the Office Pavilion. As the budget spreadsheet used to create Exhibit B notes, the approved items included in the \$250,000 are intended for the Office/Library. Only if \$250,000 was not fully spent for the items listed in Exhibit B, were additional items to be provided to Mr. Epstein at Mr. Molyneux's discretion to complete the design for other areas in the Office Pavilion. Attached is the list of items that have been approved and purchased along with the total amount spent by Molyneux Studio which is 10% more than the \$250,000.

To be clear, furniture items in Exhibit B have been approved, purchased and are on site in crates awaiting placement within the Office/Library. The previously ordered ceiling painting has been delivered to the site but Mr. Epstein decided not to move forward with the installation. Lighting and ceiling designs have been presented to Mr. Epstein for approval. Two trips have been made to Little St. James to oversee the above work. Mr. Epstein's continuous demands for additional work are unreasonable, unfair and in bad faith.

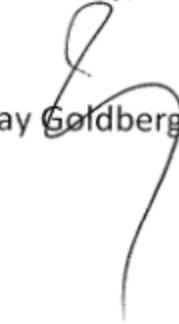
Exhibit B of the Design Services Agreement also notes that Mr. Molyneux will decide if the color of the paneling "is adequate for the overall ambiance." Although Mr. Epstein has requested a different finish

for the installed paneling, Mr. Molyneux has stated that he thinks it is a mistake to change any finish of the paneling on site. Nevertheless, due to Mr. Epstein's unreasonable, unfair and bad faith demands regarding the current finish, we provided one finish sample for Mr. Epstein's review on site which he reviewed and unreasonably, unfairly and in bad faith rejected. Mr. Molyneux has since agreed to provide six final finish samples for Mr. Epstein's review.

Mr. Epstein has unreasonably, unfairly and in bad faith changed his demands numerous times in regards to the look of this room. As we were just notified on Thursday, February 18, of the request for six finish samples, we will need to know Mr. Epstein's response noting his preferred finish no later than two days after receiving the samples. After we receive his response we will be able to confirm the schedule to complete this finish work before the deadline of April 15, 2010, as per the revised agreement. After the finish work is completed, the furniture will be put in place according to the furniture layout given to Doug Schoettle on site January 26, 2010 (attached).

We have a concern that we have not been able to inspect the furniture on site as originally requested by Mr. Molyneux when he was on site in January 2010. We need confirmation that this furniture is in perfect condition.

Sincerely,


Jay Goldberg