

From: Jeffrey Epstein <jeevacation@gmail.com>
To: Richard Kahn <[REDACTED]>
Subject: Fwd: AYH proposal
Date: Tue, 27 Aug 2013 23:01:13 +0000

----- Forwarded message -----

From: Cecile de Jongh <[REDACTED]>
Date: Tue, Aug 27, 2013 at 6:42 PM
Subject: Fwd: AYH proposal
To: JEE <jeevacation@gmail.com>
Cc: Darren Indyke <[REDACTED]>

With warm regards,

Cecile

Sent from my iPhone

Begin forwarded message:

From: "Garrison, Frank" <[REDACTED]>
Date: August 27, 2013, 5:39:19 PM GMT-04:00
To: "Cecile de Jongh ([REDACTED])" <[REDACTED]>
Cc: "Garrison, Frank" <[REDACTED]>
Subject: AYH proposal

Cecile,

Per our recent communications I have set forth below an outline of a proposal for resolving open matters between IGY/Andrew Farkas and Jeffrey Epstein. The following is intended to be in the nature of a settlement proposal and by agreement among the parties will be treated as such and not be admissible in any future proceeding.

- 1) Office rent at AYH would be reduced by \$6/foot from the currently stated amounts in the lease.
- 2) The management fee at AYH would be reduced from 7.5% to 5% effective on the first day of the calendar month following a formal agreement. Based on full year 2012, this reduction would approximate \$210,000/year.
- 3) IGY would make a cash payment of \$165,473 to Jeffrey Epstein within 10 business days of agreement (NB: This amount is the precise amount of a contemplated interest "adjustment" that has been previously

discussed.)

- 4) Fuel for vessels currently owned by JE and affiliates would be allowed to purchase fuel at AYH at a 20% discount to published price. Charges for fuel purchases would be due by the end of the third business day following date of purchase.
- 5) The arrangement for the provision of 75 linear feet of dock space would remain in place unchanged
- 6) JE would receive a 10% slip rental discount on all other existing boats/slips. This discount is currently not memorialized anywhere and new slip agreement would be executed to memorialize.
- 7) The parties would execute mutual releases as part of a formal agreement

I hope that Jeffrey is receptive to the foregoing and that we can all get on to more productive matters. Thank you in advance for your consideration.

The foregoing is not intended to be a binding offer but rather an outline of terms that we believe could be incorporated into an agreement or agreements which would become binding when executed and delivered by all parties.

Frank

Frank M. Garrison

Island Capital Group LLC

One American Center



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