

To: Jeffrey Epstein[jeevacation@gmail.com]
From: "Gi Feather" [REDACTED] > on behalf of "Gerald Barton"

Sent: Fri 7/17/2009 3:22:37 PM
Subject: RE:

Jeffrey,

I returned from Barbados last night. The Prime Minister of St. Lucia and his cabinet have asked the National Insurance Corporation of St. Lucia to advance \$10 million as a second mortgage on a project that we are doing which is being funded by the Bank of Nova Scotia. Sir Charles Williams (my partner in the Eastern Caribbean) and I addressed a meeting of the finance committee of the insurance company to explain to them the nature of the investment and how they might get repaid. Every time I deal in a foreign country, I feel somewhat like Alice stepping through the looking glass, however, my local partners were very encouraged that this would be done in the next 60 to 90 days.

It is rumored that our Memorandum of Understanding with the country of St. Kitts has been signed, but we have not yet received a copy of the signed document. It is still unclear if the country of St. Kitts will finance this development or if they are looking to others for financing. They immediately owe us \$250,000 and another \$250,000 at a later stage.

On a more important matter, our loan with Caribbean Financial Services Corporation has not yet been closed. This \$5 million loan is secured by \$40 million of assets and I still believe it will be closed in the next 30 days, however, hope is a good breakfast, but a poor dinner and it's about lunch time and I am getting somewhat concerned.

In the distressed properties business in the U.S., we are talking with Jeffrey Citran who recently closed a \$1 billion hedge fund named Square Mile. We are in the preliminary stages of talking with him about financing Bright's Creek, the 5,000 acre distressed development in North Carolina. We are also working with Thomas Mukamal in Andrew Farkas' office to see how we might work together to acquire and develop Chub Cay.

Colonial Bank, located in Birmingham, Alabama, has assets of \$26.4 million and capital of \$1.5 billion. The bank lost \$175 million in the first quarter of 2009. On June 3, 2009, the bank named a new Chairman and CEO. On June 9, 2009, the bank agreed to the issuance of an Order to Cease and Desist with the FDIC and the Alabama State Banking Department. The bank is currently working to increase capital levels and reduce the level of criticized assets.

Landmark has been in discussions with a group that owns approximately 1,000 acres of undeveloped entitled residential property in the Sugarloaf Mountain community in the greater Orlando, Florida area. The group also has a 49% minority joint venture participation in a company that has developed the first phase of the community. Their partner in this is Landmar, a division of Crescent Resources, which is currently in bankruptcy. Crescent Resources is purported to have invested over \$30 million in equity in the project for the development of the infrastructure and a golf course. The land group, which owns the 1,000 acres, has a \$12 million loan with Colonial Bank which has personal guarantees from the group. The loan is currently in default as no payments have been made since March 2009.

Jeffrey, I know you hate real estate, but I believe that if someone could buy the \$12 million note at a substantial discount, they could obtain the 49% interest in the joint venture in return for releasing the personal guarantees on the bank note and be in excellent position to negotiate complete ownership with Crescent Resources in bankruptcy. We are told that Crescent has an on-going obligation to fund capital needs and they would walk away from their \$31 million investment if they could be relieved of that commitment. For your information, I really dislike Orlando, however, this property is in the pattern of growth, is on the highest point on the peninsula of Florida, and because the elevation is covered with Oak and other hardwoods, amazingly, it has great beauty and great views. If you personally have any interest in knowing more about this, give me a call over the weekend on my mobile [REDACTED]

Now to the real world -- is the 22nd of July still the date? I appreciate your interest.

Jerry

Gerald G. Barton
Landmark Land Company, Inc.
P.O. Box 1880
Upper Marlboro, MD 20773



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From: Jeffrey Epstein [mailto:jeevacation@gmail.com]

Sent: Friday, July 17, 2009 9:08 AM

To: Gerald Barton

Subject:

bring me up to speed