
From: Jeffrey Epstein <jeevacation@gmail.com>
Sent: Friday, May 15, 2009 4:12 PM
To: Gerald Barton
Subject: Re: Landmark

no,, he can go anytime and we can speak on the phone

On Fri, May 15, 2009 at 12:10 PM, Gerald Barton <[REDACTED]>
<mailto:[REDACTED]> > wrote:

I assume you would want to be on island when he is there, so you could give him your vision. Let me know the dates.

Jerry

Gerald G. Barton
Landmark Land Company, =nc.

[REDACTED]

Phone: [REDACTED]
Fax: [REDACTED] <=font>

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From: Jeffrey Eps=ein [mailto:jeevacat=on@gmail.com <mailto:jeevacation@gmail.com>]

Sent: Friday, May 15, 2009 11:58 AM

To: Gerald Barton
Subj=ct: Re: Landmark

of course . re expenses. and i will wait until i see you for=20 barry, so that i might help sell the oil

On Fri, May 15, 2009 at 11:38 AM, Gerald Barton <[REDACTED]>
<mailto:[REDACTED]> > wrote:

Jeffrey,

Let me know when you would like him there and I will make it work. I owe you so much I hate to ask, but since you know how poor we are, you will understand if I ask you to pay expenses.

As to Starwood and Barry, I follow my leader and I have but one maven and you see him every morning in the mirror when you shave. So, set up what you think is appropriate and I will be there if possible.

Jerry

Gerald G. Barton
Landmark Land Company Inc.
[REDACTED]

Phone: ([REDACTED])

Fax: ([REDACTED])

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From: Jeffrey Epstein [mailto:jeevacation@gmail.com]
Sent: Friday, May 15, 2009 11:19 AM
To: Gerald Barton
Subject: Re: Landmark

i would like your land planner to go to my island and help sculpt the land,,iad greatly appreciate it.. what about starwood. and barry? for your resort clean up deal

On Fri, May 15, 2009 at 9:21 AM, Jeffrey Epstein <[REDACTED]> <mailto:jeevacation@gmail.com>
Since real estate is private and local, it is difficult to have accurate, cumulative figures, but we estimate that \$8 billion of these loans will end up in the hands of involuntary owners, i.e., the lenders.

* Landmark has:

· the best reputation in the business,

- the management team that created the reputation, and
- \$153 million tax loss that expires 2022.

Update of the Last 10 Years

During the last 5 years of our fight with the government, because of Landmark's high quality environmental record, Landmark was invited by the European Union to develop the last great sand dune on the west coast of Ireland. We developed, on a fee basis, the Doonbeg Golf Club, which when it was opened, was rated by Golf Digest as the best new course in the world. Because of the time spent in Ireland, we were approached to do a development in the south of Spain, where we did Arcos Gardens, chosen by some as the best new course built that year in the world and chosen by most to be the best new course in Spain in many years. We also developed, on a fee and 20% carried ownership interest basis, Lake Presidential in Maryland, 14 miles due east of the U.S. capital, and moved our corporate headquarters to Maryland.

Although it was agreed that Landmark had contributed \$131 million net value to the bank in 1982, and that the government, without cause, violated their contract, Landmark received only \$21 million from the Court of Claims. By the time it paid its lawyers, court costs, and its debt of honor to directors, etc., it had approximately \$4 million net remaining. In 2004 we purchased South Padre Island, our joint venture with the Lloyd Bentsen family in South Texas, from the fund run by Lewie Ranieri, and on a friendly basis, separate our relationship with Lewie. In 2006 we invested \$4 million to purchase one-third of Apes Hill Club, Barbados.

South Padre Island proved a success in that we sold approximately 150 houses in 2005, 200 in 2006, 170 in 2007, and in each of these years had cash flow of \$3 million to \$5 million net to the parent. We have developed approximately half of the 2,000 acres, have 1,000 homes built, and approximately 1,200 left to be built. After Lloyd Bentsen's death, we bought from his estate, at a very attractive price, his interest, and it is now owned 100% by Landmark.

South Padre Island Development is on the right side of history in that it offers good value, in warm weather, on the water for middle-class pre-retirement, retirement buyers, however, with the housing crisis we only sold 21 houses in 2008 and are doing only slightly better than that in 2009. Therefore, the cash flow is not coming from South Padre to Landmark, but cash is going from Landmark to South Padre. Recently there was some sign of optimism, but in the short run this may be a false spring. In the long run, I am confident that offering homes in a good golf course community from \$135,000 up will be in the heart of the baby boomers retirement plan.

Apes Hill Club is 470 acres that overlooks both the west coast of the Caribbean and the east coast of the Atlantic. It has been the most successful and highest quality development I have ever been associated with. While at the present time, with the pound low against the dollar and the financial crisis in England and Ireland at its zenith,

our sales are slow, last year Apes Hill Club made \$33 million=net profit. However, because the cash flow was needed for=20 continued development in Apes Hill, none of the money was brought bac= to Landmark.

Obviously, if we have a completely integrated management staff and=20 presently no income from our two major developments, we have a cash f=ow problem. A year ago I believed that recession was on=20 us, things would be bad, and Landmark would be (if I could keep the t=am together) in an ideal position to take advantage of the greatest fina=cial crisis in my lifetime. Therefore, I made the decision=20 not to cut management back to what was necessary for Barbados and Sou=h Padre, but to use it to look for new opportunities and to be prepared=to become a major player when the market foreclosed on what I knew would=be billions of dollars of distressed assets.

This year we have entered into a contract for the development of a distres=ed golf project in St. Lucia. We have reached agreement=20 with the government of St. Kitts to start up, again, a resort project=on the west coast of St. Kitts that had been abandoned because of mismanagement and corruption, and we are at the contact stage of ente=ing into agreement on a 5,000 acre development in North Carolina where th= owners need management and they need the ability to attract some mone= on a last-in, first-out basis, and we are closely following a half dozen=20 other distressed properties.

In order to meet our negative cash requirements, we have exhausted our c=sh reserve, we have scrambled where possible, and I have borrowed over \$= million personally and put it into the company. A few=20 months ago, a government bank for the eastern Caribbean, originally=20 started by the World Bank, agreed to loan Landmark \$5 million.=A0 The security for the loan would be the 100% of the St. Lucia=20 company that owns one-third of Apes Hill Club in Barbados. =20 That one-third interest is worth somewhere between \$20 million=and \$50 million; however, it is not the type of security that you can lev=rage in the U.S. I am told that this loan has been approved by the Board of Directors and I will be able to draw funds t=e first of June; however, since I have received no written confirmation=of this to-date, I am naturally concerned.

How I Would Like to Use Your Mind – If Allowed

1. If I obtain the \$5 million loan, While I am a real estate ma= and know little of financial posturing, the best idea I have heard is=to use Landmark as a platform company to become a leader in the manageme=t and resurrection of a few of these foreclosed assets, and in 5 to 7 y=ars when the profits can be realized from this financial disaster, with t=e tax loss used and the reputation enhanced, to go public as a branded=20 community developer much as Ritz-Carlton and Four Seasons are thought=of as branded hotel operators. The idea would be to have=20 an institution or individual, or institutions and individuals, invest=\$15 million to \$20 million in convertible preferred stock in Landmark. If after 3 years they decided to convert,=20 they would own approximately the same amount as the Barton family, however, this is simply one of I am sure many ways it could be done a=d I know no one who, if you were willing, could give me better guidance.

2. If, in fact, my unfounded worries abou= the consummation of this \$5 million loan are justified, I will need to ve=y quickly see if I can borrow \$3 million to \$5 million on the one-third=20 security of Apes Hill and be able to keep the management team togethe= for perhaps another year. If that is not possible, I will=20 quickly reduce the staff

to those necessary for the operations that we have, substantially diminish my hope of being a leader in restructuring these distressed resorts, and borrow what I can from my friends to survive the end of this crisis.

Jeffrey, if you are still reading this all too long email, I congratulate you on your focus. For the last six months we have been following many distressed properties and compiled it into what I call the "Zombie Book", which is updated monthly. If you have sufficient interest that you would like to look at some of the projects being followed, I would be very happy to send it to you.

Regardless of the above, please suggest a date in early June when it would be convenient for me to come see you.

Jerry

Gerald G. Barton
Landmark Land Company, Inc.



Phone: [REDACTED]

Fax: ([REDACTED])

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