
From: Mukamal, Thomas <[REDACTED]>
Sent: Saturday, March 22, 2014 5:08 PM
To: Jeffrey Epstein
Cc: Garrison, Frank; Farkas, Andrew
Subject: AYH - P-dock

Jeffrey -

Respectfully, I don't think you should get involved without us. The issue around the CZM permit is VERY binary - at least in the sole context of looking at protecting AYH. Hoffman has to yield and go east no more than 26 feet east (he currently is at 10 feet) in order to maintain a minimum safe navigable waterway such that AYH can continue to dock vessels up to 70 feet which (a) is what we pay for under our permit (b) consistent with historical use and (c) protects the long term value of AYH. This compromise has been offered to Hoffman at least three times verbally and in writing. He and Albert rejected it every time. We offered the compromise to CZM committee at the objection hearing on the record as a win win settlement because it allows him to expand his existing foot print by 150% and he isn't precluded from expanding westward as far as he wants. If AYH agrees to anything more than a 26 foot boundary, it is of no value to AYH and so it's better to dig in for the long haul and appeal whatever CZM gives him until we get to an impartial arbiter - which we eventually will after CZM makes a ruling. Our strategy was to get a fair compromise offer on the record along with highlighting the questionable nature of his application the deficiencies of the application, the inaccuracies about AYH in the application and the safety and economic implications of his request - we did this verbally, in writing and with visual aids etc. Also, he is asking for so much more water that we feel we can get the Army Corps involved which is outside his influence (he doesn't know this yet). Also, to agree to him having more than 26 feet puts him in the driver seat of any negotiation about AYH managing P dock which is exactly what he wants - the ability to dictate rent terms forever.

I am concerned that, if you get involved now Paul will mislead you in some way (which is what he tried to do to me last summer), we will not reach an agreement, our position will possibly be prejudiced (as you are an owner of the asset Hoffman will seek to use anything that you say to him as a statement against the interest of the owner) and somehow Hoffman will make you think we are idiots. This is what we were concerned about months ago, which is why we mapped out our position and strategy with Cecile to solicit her input and see if she felt like we were headed in the wrong direction (she felt good about what we were doing). The management agreement terms have not been in our favor ever and I offered Paul modified terms in the context of an agreement around the permit. So long as the permit issue is handled i.e. He expands to 26 feet, we won't have a gun to our head and we can negotiate fair terms for him and AYH which of course would include managing the sewage discharge and other issues he is concerned about for the long term. He knows this as well. It should be noted that with regards to the termination of the management agreement he has retained a lawyer to represent him, and has threatened to sue us.

I have been a complete gentleman with Paul. AYH has been more than accommodating having paid his entity over \$500,000 in fees (on time) over the past 7 years - somehow this has been lost by him. He (Paul) should have no problem dealing with me or Casner directly to settle this. I can even go down next week and deal with him together with you if he is insistent on you being part of a settlement or if you would like to be part of the resolution. If I am not dealing with all the background here let me know - maybe we missed something on our end.

I am almost certain that Paul isn't entirely ready to give in - which is why he called you and not us - so I am hesitant for you to get involved without us. At this point he is mainly worried about his slip tenants calling him in a few weeks, moving his sewer line (we moved ours) and not getting his \$8500 a month to fund his efforts. I left you a message you can reach me at [REDACTED] if you want to talk, again - if you think I am missing something here - I am happy to listen etc.

Thanks,

Tom

From: Jeffrey Epstein <jeevacation@gmail.com<mailto:jeevacation@gmail.com>>
Date: Saturday, March 22, 2014 11:51 AM
To: Andrew Farkas [REDACTED]
Cc: Frank Garrison <[REDACTED]>, T=omas Mukamal
<[REDACTED]>
Subject: Re: Also

hoffman would like sewage and clarity re same in the future. obligation to=keep the asset maintained, otherwise, issues of submerged land.

On Sat, Mar 22, 2014 at 9:44 AM, Farkas, Andrew L. <afarkas@islecap.com<mai=to [REDACTED]>> wrote:
While Cecile requested a copy of "the record" around the AYH CZM hearings, =tc., Jeffery has some specific questions. He has been approached by Hoffma= who, of course, is distorting the facts to fit his desired fact pattern. =hat said, JE believes that there is a simple deal to be done to resolve th= issue and he believes that he (JE) is the right party to mediate and sett=e the dispute. JE would like to strike while the iron is hot, but he needs=our guidance around what deal we would propose to make. Whatever that may =e, the documents should require an ongoing obligation on the part of hoffm=n and his partners to be supportive of ayh, igy, yhg, etc in all reasonabl= and appropriate ways. JE can be reached at [REDACTED] <tel: [REDACTED]>. Please get to him asap and let me know how we all do. Thanks JE.

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