
From: jeffrey E. <jeevacation@gmail.com>
Sent: Sunday, November 5, 2017 5:33 PM
To: David Mitchell
Subject: Re: Response,

Do i understand correctly that you are demanding an u=front payment of 700k with no accounting , but only a rough budget. = It appears you are unwilling to detail where the money =s to go? to whom and specifically for what.? as =A0 we are willing to provide the checks in advance , your position =eems based on some misunderstanding. However , If you decide to walk=out on your written agreements and verbal commitment I can only =A0 assume you are willing to accept the full liability for doi=g so.

On Sun, Nov 5, 2017 at 12:12 PM, David Mitchell <[REDACTED]> wrote:

.....
DAVID MITCHELL

.....
Mitchell Holdings LLC

801 Madison Avenue

<<https://maps.google.com/?q=801+Madison+Avenue%C2%A0%0D+Ne=+York+NY+10065+%0D+USA&entry=gmail&source=g>>

New York NY 10065=/a>

<<https://maps.google.com/?q=801+Madison+Avenue%C2%A0%0D+Ne=+York+NY+10065+%0D+USA&entry=gmail&source=g>>

USA

<<https://maps.google.com/?q=801+Madison+Avenue%C2%A0%0D+Ne=+York+NY+10065+%0D+USA&entry=gmail&source=g>>

[REDACTED]

Begin forwarded message:

From: Stephen Hanson <[REDACTED]> = target=> >
Date: November 5, 2017 at 12:01:33 PM EST
To: David Mitchell <[REDACTED]>
Cc: "Randolph. / David Life Laywer 17 / Amengual" <[REDACTED]>, HOWIE / SUE
MUCHNICK <mailto:[REDACTED]>, Mirium / h=wie muchnick <[REDACTED]>
Subject: Re: Response,

The below is not accurate or acceptable

You have had the restaurant detailed budget for months - many revisions - you have dealt with ALAN on revisions many times via email — seems like another of your stall tactics that I have seen you do with the contractors

I think it best I respond to you through lawyers as it seems I will not be able to proceed for lack of funding - or completion of restaurant spaces

seems best -we now need to part ways - do not count on me being on site

Let's review how you think Best to tell restaurant employees = especially after Friday when you insured they would be fully funded - you told them to ramp up get ready to open in under 3 weeks I find you where totally Disingenuous

Let's hear your separation plan on Monday and we can tell them on Tuesday as Monday is a huge PR event for the hotel and restaurant

Then let's review - now you have just paid the door past monies due - they need to review how we will announce - that I will not be opening a restaurant- maybe they will have a good approach - first thing = Tuesday we should set up a door cc before it gets out that I have laid everyone off

I'll drop off the 3 contractor checks you wanted me to distribute later today

I'll ask them to be put in the safe

Just a FYI

You will need to organize many trades - you're going to be needed on site and not just for your usual one hour stay

Tara will be on site at 11am on Monday you need to sit with her. Many items to review - Many trades to coordinate and as you'll see some trades really need handholding

I am trying to find in the loan docs from DB if it says the restaurant must be open - even if it does I'm sure it does not say - you must serve alcohol - you can hire anyone to make a simple menu - you need to review the wording for the hotel bar though - that could be an issue although you can get a beer and wine licensee only - rather quickly

The above is so you're not stranded on Monday as we where to go full speed - Best now we stop communicating and deal through the lawyers

Sent from my iPad

On Nov 5, 2017, at 11:02 AM, David Mitchell [REDACTED] <mailto:[REDACTED]> wrote:

DEAR STEVE:

MOST IMPORTANT TWO FACTS ARE:

1. WE NEED TO CLOSE OUT CONSTRUCTION AND GET=A TCO SO THAT BOTH OF US ARE OFF ANY CONSTRUCTION GUARANTEE FOR COMPLETION<=span>

2. MAKE THE FUNDS AVAILABLE FOR THE RESTAUR=NT WORK AS THERE IS NO OTHER SOURCE OF FUNDING AND EVERY DOLLAR IS ACCOUNT=D FOR IN DETAIL

PLEASE SEE MY RESPONSE IN CAPS =/span>

On 11/4/17, 11:57 AM, "Ste=hen Hanson" [REDACTED]
<mailto:[REDACTED]> wrote:

David</pan>

Now tha= you have received funding for 3.5m – NET FUNDING SEE BELOW,

Life Hotel, 19=West 31st Street, New York
<https://maps.google.=om/?q=19+West+31st+Street,+New+York&entry=gmail&source=g> =C2 =A0 =C2

CREDS Loan as Preferred Equity - Closing St=tement =C2 =A0 =C2

CREDS Gross Loan Proceeds: =A0 \$3,500,000.00 =A0 =C2

less =C2 =A0 =C2

a. CREDS Structuring Fee (2.0%) =A0 \$-70,000.00 =C2 =A0

b. Legal Fees - MMPS =A0 \$-20,000.00 =C2 =A0

c. Tax Advice - KPMG/Marks Paneth =A0 \$-6,000.00 =A0 =C2

d. CREDS out of pocket expenses =A0 \$-5,000.00 =C2 =A0

e. Delaware LLC Creation & Admin Expenses (2 years) =C2 \$-6,000.00 =A0 =C2

CREDS Net Loan Proceeds =C2 =A0 \$3,393,000.00 =A0

add Good Faith Deposit =C2 \$15,000.00 =A0 =C2

CREDS Net Net Loan Proceeds =A0 \$3,408,000.00 =A0 =C2

Distribution of Net Net Loan Proceeds =A0 =C2 =A0 =C2

Premier Corporate Services =A0 \$420.00 =A0 =C2 =A0

Premier Corporate Services =A0 \$330.00 =A0 =C2 =A0

First American UCC Insurance Services =A0 \$2,882.30 =C2 =A0 =/span>

Katsky Korins =A0 \$98,000.00 =C2 =A0

Arnold & Porter \$30,000.00 =C2 =A0 =/span>

Life Hotel One LLC (return of Good Faith De=osit) \$15,000.00 =A0 =C2

Muchnick, Golieb & Golieb, P.C. =C2 \$25,000.00 =A0 =C2

Life Hotel Pref LLC =A0 \$3,236,367.7= =C2

Total \$=,408,000.00 =C2

Excess Proceeds \$3,236,367.70 =C2 =A0

We need=to organize how we can complete the hotel and restaurant open items=br>

I can c=me over to your office on Sunday to review the below I NEED TO CATCH UP TO=AY AND PREPARE FOR THE BANK REVIEW ON MONDAY SO EVERYONE ELSE CAN GET PAID

I have =c Randy and howie so we can all address this first point

1/First=- we had always agreed once the project started to be delayed along with A= not being funded a new \$800k budget was needed for the restaurant-this bu= get was based from the day of funding - and with a September opening — which so far neither obviously has happened

we both=had agreed to personally fund the restaurant with \$200k each -this was bac= before summer when we thought we would open in late August

Then in=September when you where relaying on Arcade to fund a bridge loan - and we=needed funds to complete time and weather sensitive construction items - i= the new roof, sidewalk and other items -which I funded - we both agreed to fund construction with \$200k and where to be repaid when Arcade =unded -

-Arcade=walked away from the loan and we where never reimbursed

-Then w=en Crescendo stepped in to advance you the 3.5mm loan -you advised them th= \$750k was going to the restaurant - this is not correct- why you positio=ed the proceeds this way is not accurate

We both=need to be reimbursed from the Crescendo hotel loan -my loan is higher the= \$200k at this point - but reimburse each of us so we can then personally =und the restaurant- as we agreed upon

So the =otels additional funding of the restaurant is \$350 k not \$750

IMPORTANT THING IS DETAILED BUDGET OF HOW T=E \$700,000 IS TO BE SPENT

This should now be easy for us both. =C2

Need to provide a detailed budget and payab=e list of who gets paid for what.

inventory with back up.

professional services with backup. =C2

we will cut the checks for the total amount=and send to you.

THE TOTAL AVAILBLE FOR THE RES=AURANT IS \$700,000,

TO DATE THE RESTAURANT HAS RECI=ED AROUND \$650,000 will provide detail on Monday

ESCROW ACCOUNT at Katsky Korins=HAS \$722,000 WHICH IS THE \$700,000 STATED ABOVE AND \$22,000 FOR ALAN =99S REIMBURSMENT FOR PAYROLL LAST WEEK

2/ Still= to be addressed - which you have not responded to - is an outline as to the possible shortfall in the restaurant we could endure from January to April - complete budget sent to you weeks ago SEE ABOVE PLEASE

3/ I =80 m told you only are funding the restaurant \$700 k because you subtracted last weeks PR? This is not correct in addition there are AP items that =re not the restaurant responsibility -ie tasting for bankers and loan people LUNCH FOR 3 PEOPLE COULD NOT OF BEEN THAT MUCH AND IF NEED BE I WILL PERSONALLY PAY FOR THE FOOD COST - the charity event on Monday to promote the hotel I WAS NOT AWARE OF ANY EVENT, UNTIL AFTER THE FACT ,ALSO UNDERSTAND MONDAY'S EVENT GENERATED INCOME FOR THE RESTAURANT AND NOT THE HOTEL - we can address this at tomorrow=E2 s meeting SEE ABOVE PLEASE

4/ AP -=how these accounts are paid off- following the AP list you advised lenders=would be cured - you need to complete before they lean the hotel- as a few=have threatened NO LIENS HAVE EVER BEEN FILED EVER, AND THAT WAS I NEED TODAY FOR TO MAKE SURE ALL CONSTRUCTION PAYABLES FOR WORK DONE ARE =AID SEE ABOVE

5/ Construction- Friday's meeting with skyland seemed to put us on track -issue now is how hard will they push to complete in next 2 weeks - we need =ary on board -I hear he is waiting for his payment before he will resume -but we can complete if everyone gets aggressive and bring trades back to =ite

We need=plumbing and Electric punch list items - Chefs are working on their list we will need gary to complete hotels items -especially items needed for tco<=span>

GARY IS=FULLY AWARE OF FUNDING AND IS ON BOARD

6/ Spea=easy as skyland pointed out at yesterday's meeting and we both und=rstood -there is little they need to contractually complete in the speakea=y as most items are now change orders going forward

Items t= complete will be reviewed on Monday with Tara - skyland and gary

- your =ffice has still not answered where the banquette fabric is - for starters =S YOU SAW YESTERDAY, YOUR OFFICE WAS GIVEN THIS INFORMATION 3 TIMES AND HA= CONFIRMED YESTERDAY THAT TWO WEEKS AGO THEY RECIVED THE SAME

Banquet=- to be built

-Lighti=g will reviewed with Tara on Monday -

-front =estibule landing

Bar ent=re unit

Need to=address that AC unit in the new area at bar we developed. \$ 7k NOT IN THE =UDGET I BELIEVE BUT WILL CHECK

One AP =tem that needs to ASAP be paid is the soundproofing- we will need this als= in the speakeasy bar area – WILL CHECK IF IN BUDGET AND PAYABLES<=span>

7/ When=will you be in your office on Sunday - I'll come over as you sugge=ted on Friday I WILL HAVE THE ABOVE PREPARED SO WE CAN MEET EARLY MONDAY T= GO THROUGH, I NEED TODAY ALONE TO DO THIS

As we n=ed a great outline prior to Monday's hopefully jump start to compl=te lobby in 10 days- speakeasy in 3 weeks

hopeful=y we can then try to get some xmas party business - looking at the hotels =ccupancy it falls off the cliff after 12/18 but maybe we can capture some =usiness - this brings me back to the restaurants operating budget - we need to address a possible winter shortfall above the \$750 k opening =udget NEED TO MAKE THE \$700,000 WORK, THERE IS NO OTHER FUNDING

8/. Hot=I funding operating funds to be released on nov 8. We need these funds to =tay with hotel as they have vendors putting the hotel on COD and as Denise=has mentioned - they are almost out of hair wash and we have run out of slippers weeks ago - now that the cold weather is here these are es=entials I AM AWARE

You can=not use these funds for construction AP. OR RESTAURANT OPERATIONS

I hear =e are \$180 k over 45 days with AP and have \$300 k closing in on 30 days WI=L GO OVER ON MONDAY

AS YOU KNOW THIS IS NOT UNUSAL =S WE RECEIVE LOCK BOX FUNDING 30 DAYS AFTER IT IS RECIVED

Let =80 s also review on Sunday

9/ As y=u agreed on- you need to pay stacy Gilbert so she can resume the accountin= process

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=A0 please note

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