

November 5, 2017

**From:** David Mitchell  
**Sent:** Sunday, November 5, 2017 12:58 PM  
**To:** Stephen Hanson  
**Cc:** Randolph. / David Life Laywer 17 / Amengual; HOWIE / SUE MUCHNICK; Mirium / howie muchnick  
**Subject:** Re: Response,

I think you misunderstood what is being asked for and why  
this is a requirement , not as you call it a stall  
Money is set aside and ready to be released pending a fairly simple outline that gives detail to  
your budget what is required

No one is arguing with you,  
about the uses just checking the boxes

.....  
**DAVID MITCHELL**  
.....  
Mitchell Holdings LLC  
801 Madison Avenue  
New York NY 10065  
USA

[REDACTED]  
[REDACTED]

On Nov 5, 2017, at 12:52 PM, Stephen Hanson <[REDACTED]> wrote:

David. Let's just move on. Best for all

Sent from my iPad

On Nov 5, 2017, at 12:47 PM, David Mitchell <[REDACTED]> wrote:

Not sure what is not accurate or burdensome enough for you not to continue with the  
restaurant

All that is being asked for is a detail of who is being paid

( similar to the closing statement provided in my email)

This is exactly what we have to do for construction costs and professionals for every funding to  
date

In fact that is what we have to do for every dollar spent on this project

Everyone has seen the rough budget you and Alan have provided ,

Now we just need to fill in the names of the vendors and professionals , that is what is required

Money was funded and is ready to be transmitted to the restaurant , just need for the blanks to be filled in

I am sure it is not a long list and knowing Alan he has most of already

.....

**DAVID MITCHELL**

.....

Mitchell Holdings LLC  
801 Madison Avenue  
New York NY 10065  
USA

[REDACTED]  
[REDACTED]

On Nov 5, 2017, at 12:01 PM, Stephen Hanson <[REDACTED]> wrote:

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 - your 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 [REDACTED] 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 a issue although you can get a beer and wine licensee only - rather quickly

The above is so your 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]> 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

2. MAKE THE FUNDS AVAILABLE FOR THE RESTAURANT WORK AS THERE IS NO OTHER SOURCE OF FUNDING AND EVERY DOLLAR IS ACCOUNTED FOR IN DETAIL

PLEASE SEE MY RESPONSE IN CAPS

On 11/4/17, 11:57 AM, "Stephen Hanson" <[REDACTED]> wrote:

David

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

Life Hotel, 19 West 31st Street, New York  
CREDS Loan as Preferred Equity - Closing Statement

CREDS Gross Loan Proceeds:       \$3,500,000.00

less

a. CREDS Structuring Fee (2.0%)	\$-70,000.00	
b. Legal Fees - MMPS	\$-20,000.00	
c. Tax Advice - KPMG/Marks Paneth	\$-6,000.00	
d. CREDS out of pocket expenses	\$-5,000.00	
e. Delaware LLC Creation & Admin Expenses (2 years)		\$-6,000.00
CREDS Net Loan Proceeds	\$3,393,000.00	
add Good Faith Deposit	\$15,000.00	
CREDS Net Net Loan Proceeds	\$3,408,000.00	

Distribution of Net Net Loan Proceeds

Premier Corporate Services	\$420.00	
Premier Corporate Services	\$330.00	
First American UCC Insurance Services	\$2,882.30	
Katsky Korins	\$98,000.00	
Arnold & Porter	\$30,000.00	
Life Hotel One LLC (return of Good Faith Deposit)		\$15,000.00
Muchnick, Golieb & Golieb, ■■■	\$25,000.00	
Life Hotel Pref LLC	\$3,236,367.70	

Total \$3,408,000.00

Excess Proceeds \$3,236,367.70

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

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

I have cc 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 AP not being funded a new \$800k budget was needed for the restaurant-this budget 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 back 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 - ie 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 funded -

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

-Then when Crescendo stepped in to advance you the 3.5mm loan -you advised them that \$750k was going to the restaurant - this is not correct- why you positioned the proceeds this way is not accurate

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

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

IMPORTANT THING IS DETAILED BUDGET OF HOW THE \$700,000 IS TO BE SPENT

This should now be easy for us both.

Need to provide a detailed budget and payable list of who gets paid for what.

inventory with back up.

professional services with backup.

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

THE TOTAL AVAILBLE FOR THE RESTAURANT IS \$700,000,

TO DATE THE RESTAURANT HAS RECIVED 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'S 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/ ■ 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 are 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'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 PAID 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 gary 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 site

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

GARY IS FULLY AWARE OF FUNDING AND IS ON BOARD

6/ Speakeasy as skyland pointed out at yesterday's meeting and we both understood -there is little they need to contractually complete in the speakeasy as most items are now change orders going forward

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

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

Banquets- to be built

-Lighting will reviewed with Tara on Monday -

-front vestibule landing

Bar entire unit

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

One AP item that needs to ASAP be paid is the soundproofing- we will need this also in the speakeasy bar area – WILL CHECK IF IN BUDGET AND PAYABLES

7/ When will you be in your office on Sunday - I'll come over as you suggested on Friday I WILL HAVE THE ABOVE PREPARED SO WE CAN MEET EARLY MONDAY TO GO THROUGH, I NEED TODAY ALONE TO DO THIS

As we need a great outline prior to Monday's hopefully jump start to complete lobby in 10 days- speakeasy in 3 weeks

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

8/. Hotel funding operating funds to be released on nov 8. We need these funds to stay 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 essentials I AM AWARE

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

I hear we are \$180 k over 45 days with AP and have \$300 k closing in on 30 days WILL GO OVER ON MONDAY

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

Let's also review on Sunday

9/ As you agreed on- you need to pay stacy Gilbert so she can resume the accounting process

February 17, 2018

From: Amengual, Randolph  
Sent: Saturday, February 17, 2018 7:33 PM  
To: Muchnick Howie W.  
Cc: Mitchell David  
Subject: Life

Pls ask Steve to send us the operating results for the restaurant since it opened and the projections for the next 3 months. We will need this for the lenders.

Thanks

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February 20, 2018

-----Original Message-----

From: Amengual, Randolph

Sent: Tuesday, February 20, 2018 7:28 AM

To: Muchnick Howie W.

Subject: Life Hotel

David needs the restaurant [REDACTED] from Nov to Feb 15 and 3 months projections for discussions with the lenders.

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**April 10, 2018**

-----Original Message-----

From: Amengual, Randolph  
Sent: Tuesday, April 10, 2018 10:38 AM  
To: Muchnick Howie W.  
Subject: Life Hotel

We understand that your client intends to close the restaurant/bar on April 22nd. We have asked multiple times for an accounting of the \$1,322,000 that was loaned to the restaurant operator. We have no ability to understand the current financial condition without this accounting and a [REDACTED] for the restaurant operations to date. Please ask your client to provide the requested information.

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