



Joseph P. Williams  
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October 2, 2018

Mr. Michael Hershkowitz, Vice President  
Municipal Holdings LLC  
c/o Citibank, N.A.  
388 Greenwich Street  
8th Floor  
New York, NY 10013

Dear Mr. Hershkowitz:

We are writing on behalf of the City of Norwalk and the The Redevelopment Agency of the City of Norwalk (collectively the "Public Parties") as a follow up to our letter dated August 6, 2018, a copy of which is attached hereto for your reference.

You have not provided the requested information and documentation within the time set forth in our August 6, 2018 letter. As such, your request for an additional one hundred and eighty (180) days to cure the defaults noted in the June 1, 2018 default notice is denied. In accordance with Section 18.1 of Article XVIII of the Land Disposition and Development Agreement, dated November 14, 2007, as amended, please find enclosed herewith, the Public Parties Request for Mediation before the American Arbitration Association.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mario F. Coppola".

Attorney Mario Coppola  
City of Norwalk Corporation Counsel

Sincerely,

A handwritten signature in blue ink, appearing to read "Joseph P. Williams".

Joseph P. Williams  
Special Counsel to Redevelopment  
Agency of the City of Norwalk

Cc: John McClutchy  
Todd McClutchy  
Mayor Harry Rilling  
Laoise King, Chief of Staff  
Mario Coppola, Corporation Counsel  
Felix Serrano, Agency Chairman  
John Kydes, Counsel President  
John Igneri, Majority Leader  
Doug Hempstead, Minority Leader

# NORWALK DEVELOPMENT AGENCY

CHAIRMAN  
Felix R. Serrano

COMMISSIONERS  
Lisa M. Cooper  
Thomas Davine  
William R. Speirs  
David G. Westmoreland

EXECUTIVE DIRECTOR  
Timothy T. Sheehan

August 6, 2018

Mr. Michael Hershkowitz, Vice President  
Municipal Holdings LLC  
c/o Citibank, N.A.  
388 Greenwich Street  
8<sup>th</sup> Floor  
New York, New York

Dear Mr. Hershkowitz:

We are writing respectively on behalf of the City of Norwalk (the "City") and the Norwalk Redevelopment Agency ("RDA") (collectively the "Public Parties") in response to your letter, dated July 16, 2018. The referenced letter seeks the Public Parties to consider Citibank's request of an additional one hundred and eighty (180) days to cure the defaults noted by the Public Parties in their default notice to Municipal Holdings, LLC (the "Owner"), dated June 1, 2018. The Public Parties are aware of recent efforts by the Owner, JHM Group and Richman to advance a larger strategy for the development of Phases I and II of the Wall Street Place Project. However, that effort has been ongoing since March of 2017, but to date has not realized an implementable plan. Further, the terms put forward by the Owner relating to additional financial commitments on the part of the City to advance said development are unacceptable to the Public Parties.

Since the Owner does not own the properties that comprise Phase II of the Wall Street Place Project, the basis of the referenced default is limited to the Phase I property. Since acquiring ownership in early 2017, the Owner has evidenced little attention or investment in advancing back into construction the Phase I development, despite such initial assurances by the Owner to the Public Parties when the project as underwritten financially collapsed. Instead, the Owner (with its preferred developer) have sought to advance a larger more complex development project involving the Phase II properties, which again the Owner does not currently own or control. Further, the Owner in June of 2018 declined to assert its purchase rights allowed under its settlement agreement with POKO-IWSR ("POKO"), the previous owner of the Phase I site, to acquire the Phase II properties and other smaller Phase III parcels. Meanwhile, the existing structure on the Phase I property remains only partially constructed and has been left to become a significant source of blight on the Wall Street commercial area and a public health and safety concern for the City. The Public Parties have made the Owner aware of these serious issues of concern at various times during the past year. Unfortunately, the Owner has never provided the Public Parties with a definite plan for

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resolving these issues of concern nor demonstrated that it is currently taking any action. The JHM Group indicated on a conference call on July 31, 2018 that such proactive action to "enclose" the building would "never" be advanced by the Owner prior to there being an approved development plan, seemingly the one currently favored by the Owner.

The completion of the Phase I development is of primary importance at this time to the Public Parties. In order to consider the Owner's most recent extension request, the Owner needs to provide the public parties with certain information and documentation within the next thirty (30) days. First, the Owner must provide a detailed Phase I completion plan which shows how the Phase I development will be completed on the Phase I property only. Said Phase I completion plan should include a project timeline and a budget that assumes no additional city funding. Second, the Owner must provide the City with a definitive plan for resolving the current violations of City regulations, which require the Owner to complete certain tasks, including but not limited to completing construction of the windows and façade of the partially constructed building before the inclement weather starts. The City's Building Official and Blight Officer, Bill Ireland, is willing to provide the Owner with a list of items that need to be completed in order to remediate the violations at the Phase I property.

If the Owner is unable or unwilling to provide the requested information and documentation to the public parties within the next thirty (30) days, our respective recommendations to the Public Parties will be that the Owner's pending extension request be denied. We look forward to your prompt response and compliance with the request for information and documentation. If you have any questions or concerns, please do not hesitate to contact either of us to schedule a joint conference call.

Sincerely,



Attorney Mario Coppola  
City of Norwalk Corporation Counsel

Sincerely,



Timothy T. Sheehan  
Executive Director  
Norwalk Redevelopment Agency

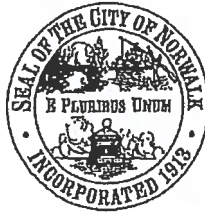
Cc: John McClutchy  
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John Kydes, Counsel President  
John Igeneri, Majority Leader  
Doug Hempstead, Minority Leader

# CITY OF NORWALK

LAW DEPARTMENT

CITY HALL  
125 EAST AVENUE, P.O. BOX 5125  
NORWALK, CONNECTICUT 06856-5125

TEL: (203) 854-7750  
FAX: (203) 854-7901



June 1, 2018

VIA FEDERAL EXPRESS and EMAIL to Aviva Yakren, Esq. Sidley Austin LLP

Mr. John D. Heppollette, Manager  
Municipal Holdings LLC  
388 Greenwich Street  
New York, NY 10013

RE: Land Disposition Agreement & Development Agreement By and Between the City of Norwalk, the "CITY," the Redevelopment Agency of the City of Norwalk, the "AGENCY" and POKO-IWSR DEVELOPERS, LLC, Redeveloper (POKO), dated November 14, 2007, the "LDA," as amended by First Amendment dated October 24, 2014, the "First Amendment," and the Conditional Agreement by and between the City of Norwalk, Connecticut, the Redevelopment Agency of the City of Norwalk and POKO-IWSR Developers LLC, dated July 27, 2015, the "Conditional Agreement"

Dear Mr. Heppollette:

This letter sent is being sent as a Notice of Default on behalf of the City of Norwalk and the Norwalk Redevelopment Agency as formal notice to you that Municipal Holdings LLC is currently in default of the time requirements related to Phase One of the Wall Street Development under the LDA (referenced above).


Pursuant to the Conditional Agreement, Municipal Holdings LLC is required to meet certain revised deadlines in connection with the completion of the Phase One Improvements. As you are aware such Phase One Improvements have not been completed pursuant to and in compliance with the terms and requirements of the operative agreements. Accordingly, pursuant to Article 19, paragraph 19.3.D of the LDA, the City and the Redevelopment Agency hereby exercise their rights to declare a default under the terms and provisions of the LDA.

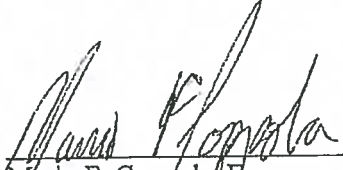
This letter shall serve as formal notice that Municipal Holdings, LLC is in default of its obligations under the LDA, as amended, and has thirty (30) business days from the date of this letter to cure such default. In the event that Municipal Holdings, LLC fails to cure

the default, be advised that the City and the Redevelopment Agency intend to exercise all of their rights and remedies in contract, at law and in equity, that may be available to them under the circumstances.

Please contact us as soon as possible in order to further discuss this matter.

Sincerely,

  
\_\_\_\_\_  
Marc J. Grenier, Esq.  
DePanfilis & Vallerie, LLC  
Norwalk Redevelopment Agency Counsel

  
\_\_\_\_\_  
Mario F. Coppola, Esq.  
Corporation Counsel, City of Norwalk

CC: Mayor Harry W. Rilling  
Felix R. Serrano, Chairman, Norwalk Redevelopment Agency  
Tim Sheehan, Executive Director of the Norwalk Redevelopment Agency  
Aviva Takren, Esq., Sidley Austin LLP