

From: Jason Milligan
Sent: Thursday, June 28, 2018 5:26 PM
To: John McClutchy
Cc: Johnson, Jeremy; Hall, Steven1; Todd McClutchy
Subject: RE: Poko II

John,

That is not the way I remember the conversation. Immediately upon hanging up the phone I summarized our conversation for Steve, Jeremy and Todd. The first line states, "John and I left the conversation agreeing that **I would hear back from him or Todd by Thursday.**" That is what you said and that is what I quoted you as saying in the email right afterwards.

You have all repeatedly told me how thoroughly you have analyzed this project from every angle especially when you are discounting my suggestions. You have been negotiating with the City of Norwalk for almost a year. What the hell "due diligence" are you talking about now? You never said one thing about due diligence when we spoke...

Do you have a deal that is ready to move forward or not!

Just so you are aware I have continued moving forward on my plans and I will do so until or unless we come to terms.

The first step for you is to get me \$25,000 by July 1st, which will keep me standing still and negotiating with you for the month of July. All of the prices and terms that we discussed is predicated upon getting the \$25,000 by July 1st.

Jason Milligan

O (203) 849-8100 x101

C (203)-981-2300

www.milliganrealty.com

From: John McClutchy [
Sent: Thursday, June 28, 2018 4:56 PM
To: Jason Milligan
Cc: Johnson, Jeremy; Hall, Steven1; Todd McClutchy
Subject: Re: Poko II

Jason,

To be clear, when you and I spoke the other day I told you that I would be traveling for the balance of the week and would try to get together with Todd and the bank by phone and try to get back to you with an update by Thursday, or Friday. Today is only Thursday. Todd and I have talked and Todd is following up with the bank. I'm in Alabama through Saturday and will do my best to follow up with you before the end of the day tomorrow. I appreciate the fact that your on

a “fast pace”. However, as I stated to you when we last spoke, we will take the time we need to do the m due diligence we feel necessary before we make any commitments on anything. I will reach out to you tomorrow.

John

Sent from my iPhone

On Jun 28, 2018, at 3:37 PM, Jason Milligan < wrote:

It is disappointing that I have not heard from any of you when you told me you would reach out today.

You have not shared a sketch or answered any of my questions.

I have been clear to you from the very beginning that I plan to operate a very fast pace. The fact that you don't get back to me when you say that you would is not getting things off to a very good start.

Jason Milligan

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From: Jason Milligan
Sent: Tuesday, June 26, 2018 5:10 PM
To: 'Johnson, Jeremy '; Hall, Steven1 ; John McClutchy
Cc: Todd McClutchy
Subject: RE: Poko II

Todd, John and I spoke.

Todd had to leave the call early, but we covered quite a bit. John and I left the conversation agreeing that I would hear back from him or Todd by Thursday.

I am concerned that given the players involved that it will take considerable time to get an acceptable written agreement if we are able to come to agreement in principal. it will cost \$25K on July 1st for me to stand still for the month of July for 21 & 23 Leonard. Meaning to keep the price & terms static. I will be sealcoating and striping the Leonard lot within a week or so.

I have requested a sketch of the project being contemplated for the Leonard St lot. How many public parking spaces will it have? Located where? Will the public be able to cut through from Isaac to Leonard st, for free?

I also want to understand the plan for 77 Wall st and/or the Dias property. Does your current plan include the “New Street”? I am touring the Dias property in 1 hour.

I forgot to ask anyone if you have told Tim Sheehan or Mario Coppola that we are in discussion. If you have not can you please do that?

Jason Milligan

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From: Johnson, Jeremy [
Sent: Tuesday, June 26, 2018 3:09 PM
To: Jason Milligan; Hall, Steven1 ; John McClutchy
Cc: Todd McClutchy
Subject: RE: Poko II

Jason – I can tell you this with absolute certainty – we are incredibly realistic in both our expectations and assumptions.

Regards,
Jeremy

From: Jason Milligan [
Sent: Tuesday, June 26, 2018 3:01 PM
To: Johnson, Jeremy [ICG-MKTS]; Hall, Steven1 [ICG-MKTS NE]; John McClutchy
Cc: Todd McClutchy
Subject: RE: Poko II

Ok. I will speak with John & Todd.

Also consider-

Norwalk requires 10% work force housing-that adhere to 8-30g regs. That is not “affordable” enough for your CRA team?

Even if we agree to work together there is no guarantee of Federal, State or Local support. From what I have heard and read the state support requires the current governor who is gone soon. Local support is tepid at best within the leadership and there is complete outrage from the Norwalk taxpayers. A reduction in parking or contribution of more tax dollars will not fly.

That is my point about reality.

You say that you have underwritten the project with fewer units and no federal, state or local support, and it will not work. So then what?

Have you run the above model with a significant write down of your basis? That is reality! Right now you do not have a viable project. The current structure does not even have a valid local zoning approval...

Jason Milligan

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From: Johnson, Jeremy [
Sent: Tuesday, June 26, 2018 2:34 PM
To: Jason Milligan; Hall, Steven1 ; John McClutchy
Cc: Todd McClutchy
Subject: RE: Poko II

John and Todd will be reaching out to you. They will be the point of contact.

Our mandate is to invest in and lend to projects that have some element of affordability. It's what we've discussed before.

We have underwritten the project with fewer units and no federal, state or local support. It will not work.

If we are to work together, we will have to pursue your option 1 below. John and Todd can talk through more details with you.

Regards,
Jeremy

From: Jason Milligan [
Sent: Tuesday, June 26, 2018 2:26 PM
To: Hall, Steven1 [ICG-MKTS NE]; John McClutchy
Cc: Todd McClutchy; Johnson, Jeremy [ICG-MKTS]
Subject: RE: Poko II

I was supposed to hear back from you guys on Monday. Tuesday is now almost over and I all I have is the email below that seems to be in response to a conversation or an email that I am not privy to.

Jeremy tells me that Citibank is completely rational and evaluating this project devoid of emotion. I have no reason doubt his assertions.

I will say that I feel strongly that many of your assumptions are flawed and in some cases dead wrong. If you are using garbage input you will get garbage output.

We really need a candid discussion based upon reality right now.

Please explain fixed infrastructure development costs. Is this mostly parking?

Also what is your mandate?

Have you underwritten this project without tax credits, without additional city or state money, and with providing all 188 required public parking spaces?

Jason Milligan

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From: Hall, Steven1 [
Sent: Monday, June 25, 2018 3:28 PM
To: Jason Milligan; John McClutchy
Cc: Todd McClutchy; Johnson, Jeremy
Subject: RE: Poko II

btw – I agree with Todd’s explanation about the need to spread fixed infrastructure development costs across more than 70 apartments – and we can add (though I don’t think it’s necessary to) that we (CCC) couldn’t finance the project he describes because it is well outside of our mandate.

From: Jason Milligan [
Sent: Sunday, June 24, 2018 4:45 PM
To: John McClutchy
Cc: Todd McClutchy; Johnson, Jeremy [ICG-MKTS]; Hall, Steven1 [ICG-MKTS NE]
Subject: Re: Poko II

Here are the details about the Innovation District tax incentives. 50% off property tax bill for up to 10 years. <http://www.norwalkct.org/DocumentCenter/View/13326/Incentives-5-7-18>

These incentives run with the land and the project. You can sell the project upon stabilization without effect on the tax incentives.

I would imagine it would be very easy for this project to get that incentive.

If you can devise a project that you can make money doing that give the city the parking they were promised and doesn't require additional investment from them then this will sail through.

Can we please discuss/explore options?

Jason Milligan
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203-849-8100 ext 101

From: Jason Milligan
Sent: Friday, June 22, 2018 6:11 PM
To: John McClutchy; Jason Milligan
Cc: Todd McClutchy; Johnson, Jeremy (Hall, Steven1
Subject: Poko II

I appreciate the call this morning. I am willing to work with you to improve Wall st. Hopefully you are still willing to consider more than 1 option. It seems parking and taxes are the two biggest issues to solve for.

I pulled together the expenses I have to date for the 2 properties you want and the monthly burn rate/opportunity cost of keeping buildings vacant, which I incorporated into the options below.

In any cooperation scenario we would both agree to support each other's projects. I plan to build micro apartments above FC Bank.

I am working on 3 zoning changes for the Wall st area. No Required Amenity Space, No Required on-site parking, and permission to build micro apartments.

The City Council is working on a new tax incentive program that can keep taxes at 50% of full value for a number of years that we should both try to get.

I would like an access way to the roof terrace for the FC Bank residents to use. Also the alley leading to the Phase I surface parking and the windows facing the back of FC Bank should be enlarged.

In any scenario Milligan Realty would like the opportunity to interview for the job of renting the apartments for you. We filled 60 units at Head of the Harbor for Discala in under 4 months through the holidays and with a temporary c/o.

Option 1-McClutchy preferred option:

Sell you the parcels you refer to as A & B, 21 & 23 Isaac st for \$3.75 million by July 1st, and/or sell a 6 month option for \$150,000, with some reasonable extensions thereafter.

The vending machine parking garage should be built at no cost or consequence to you. It should be under separate ownership and management. It can count toward the public parking that you are required to give back to the city. You could give back to the city more than the 188 parking spaces they require. Perhaps 255? The Norwalk Parking Authority is a logical owner of the vending machine, but I would also be willing to own and manage it. In fact, I might prefer that I own and manage it because I will be quicker and more responsive to the market. They also may not want it.

Option 2-Milligan & Neighborhood stakeholders preferred option:

McClutchys Complete Phase I as is. Just the 70 Apartments that are currently framed out. Strip away all tax credits, affordable housing etc. Make market rate with 10% work force housing as required by Norwalk. Remove the deck for the unbuilt apartment portion, delete the 2 retail spaces and enormous lobby under the deck from the plan. Put 50 +/- surface parking spaces instead of 16. All 50 would be dedicated to your retail and your residents.

The vending machine parking garage should be built at no cost or consequence to you. It should be under separate ownership and management. It can count toward the public parking that you are required to give back to the city. You could give back to the city more than the 100 parking spaces required for phase I. Norwalk Parking Authority or me could own/manage the vending machine.

I would sell you parking rights in the Leonard st lot for approximately \$30K / space / permit for nighttime and weekend use. You pay nothing else. I own it, maintain it etc. Wall St Place phase I keeps the right to the space in perpetuity. Rights give ability to pay for permit at the same rate as everyone else. We could fix that rate for some period of time if you wish. I would think that you would want to purchase at least 20 spaces (\$600K) to give 1 dedicated space to each of the 70 apartments. I would also agree to leave the Leonard St lot open for public parking for an extended period of time, but would want the option to build up at some later date. Of course your permits would survive. If your residents had 1 dedicated parking space I am confident that your building is both marketable and financeable. Residents would have the choices for additional parking. They could take a permit in the vending machine, pay for additional parking at the Leonard st lot, use the Yankee Doodle lot, fight it out on the street etc.

If you wanted more than 20 spaces we would consider selling you more. Above 40 spaces the price might need to go up per space?

This option would be a quick hitter. It would sail through approvals given the public parking component. The area stakeholders would support it as would the taxpayers at large. You could stabilize the project and flip it to a fund instead of hanging around 10-15 years.

You also don't have to build any parking. If you want dedicated then you can buy extra from me.

Jeremy agreed to run some numbers. Hopefully you will too.

Talk soon. Feel free to call me over the weekend otherwise let's talk Monday.

Do you mind sharing the plans for Phase II that you have in mind? How close would the building be to Audiotronics?

Jason Milligan

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From: John McClutchy [
Sent: Friday, June 22, 2018 10:04 AM
To: Jason Milligan
Cc: Todd McClutchy
Subject: Re: Availability

Thanks. Our conversation will remain between us.

Sent from my iPhone

On Jun 22, 2018, at 9:50 AM, Jason Milligan < wrote:

Thanks for the call.

I will get you the marginal number for the 6 months.

Also please don't talk to the city or parking authority about the vending machine yet.

I may prefer to own and operate it, which I believe I will do better than the city. I would be willing to have it 100% available to the public. I may have to have a rule that there is a minimum of 6 hours parking or other rules to make it work efficiently. I will definitely be more nimble and responsive to the market and users than the government.

The huge benefit to you, me, the city is the additional "public parking" available. It could be 255 public parking instead of 100 and then you would be local heroes and the city would come out looking terrific too.

Jason Milligan
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From: Todd McClutchy <
Sent: Friday, June 22, 2018 8:47 AM
To: Jason Milligan
Cc: John McClutchy
Subject: Re: Availability

That one is not working. Let's use the following
(712) 432-0075;572413#

Todd D. McClutchy
JHM Financial Group, LLC
Direct: [\(203\) 595-5172](tel:2035955172)
Company: [\(203\) 348-2644 ext 404](tel:2033482644)

Sent from my iPhone

On Jun 22, 2018, at 8:42 AM, Jason Milligan < wrote:

Ok

Jason Milligan

203-981-2300

----- Original message -----

From: Todd McClutchy <
Date: 6/22/18 8:37 AM (GMT-05:00)
To: Jason Milligan <
Cc: John McClutchy <
Subject: Re: Availability

Let's use the following call in
+1 (712) 832-8310;9091506

Todd D. McClutchy
JHM Financial Group, LLC
Direct: (
Company: (

Sent from my iPhone

On Jun 22, 2018, at 8:35 AM, Jason Milligan < > wrote:

phone today at 8:45. Meet soon depending upon direction of the call.

Jason Milligan
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From: Todd McClutchy <
Sent: Friday, June 22, 2018 8:35 AM
To: Jason Milligan
Cc: John McClutchy
Subject: Re: Availability

Unfortunately I'm not around until Sunday but could meet then otherwise by phone today. What works best?

Todd D. McClutchy
JHM Financial Group, LLC
Direct: (
Company: (

Sent from my iPhone

On Jun 22, 2018, at 8:27 AM, Jason Milligan < > wrote:

Where are you two? Are you together. Any chance we could meet in person instead? I will come to you. I am currently in New Canaan.

Jason Milligan

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203-849-8100 ext 101

From: Todd McClutchy <
Sent: Friday, June 22, 2018 8:11 AM
To: Jason Milligan
Cc: John McClutchy
Subject: Availability

Do you have a few mins to talk at approx 845?

Todd D. McClutchy
JHM Financial Group, LLC

{Next email exchange}

From: John McClutchy <
Sent: Thursday, July 5, 2018 5:55 PM
To: Jason Milligan
Cc: Todd McClutchy; steven hall; Jeremy Johnson
Subject: Re: Poko II-Time of the essence

I did address the cash payment and have no involvement in the lawsuit.

Sent from my iPhone

On Jul 5, 2018, at 4:00 PM, Jason Milligan < wrote:

No thank you.

You are not addressing two very important aspects that we require by tomorrow.

1. Lawsuit withdrawn
2. \$25k Cash payment

Jason Milligan

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From: John McClutchy [
Sent: Thursday, July 05, 2018 11:53 AM
To: Jason Milligan
Cc: Todd McClutchy; steven hall; Jeremy Johnson
Subject: RE: Poko II-Time of the essence

Jason,

We are willing to pay the \$3,750,000 for the property, subject to the terms and conditions I presented in my prior email. We will begin payment of the \$25,000 per month, retroactive to July 1, 2018, as soon as we have an executed agreement.

John

John H. McClutchy Jr. | JHM Financial Group, LLC | <http://www.groupjhm.com/>
1281 East Main Street, Suite 201 | Stamford, CT 06902 | 📞 Main: 203.348-2644 ext 402 | Direct: 203.595.5170
✉️: mcclutchyj@groupjhm.com

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From: Jason Milligan <
Sent: Monday, July 02, 2018 9:35 PM
To: John McClutchy <
Cc: Todd McClutchy <steven hall; Jeremy Johnson <jeremy.johnson@citi.com>
Subject: Re: Poko II-Time of the essence

Your offer is \$50k too low. The \$25k starts too late and does nothing to end the lawsuit from the city.

I am willing to sell at break even for a short time, but not with legal exposure and approval exposure and time to structure a deal exposure.

Start paying now. Get the lawsuit to end and raise your price \$50k.

You would be risking \$25k. Big deal. It says a lot if you are not willing to do that.

Jason Milligan
203-981-2300

----- Original message -----

From: John McClutchy <
Date: 7/2/18 5:54 PM (GMT-05:00)
To: Jason Milligan <
Cc: Todd McClutchy < steven hall; Jeremy Johnson <
Subject: Re: Poko II-Time of the essence

I don't understand your note. What will not work? I believe that the outline I sent you fairly represents the conversation we had on Friday. Please advise.

Sent from my iPhone

On Jul 2, 2018, at 3:48 PM, Jason Milligan < wrote:

Sadly, your offer will not work for a variety of reasons. Some are outside your control.

The offer terms that I outlined to you will remain valid though this Friday. Then the price goes way up and the terms will need to be modified if we are to consider selling any parcels that we own.

Jason Milligan

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From: John McClutchy [
Sent: Sunday, July 01, 2018 4:57 PM
To: Jason Milligan
Cc: Todd McClutchy; [steven](#) hall; Jeremy Johnson
Subject: Fwd: Poko II-Time of the essence

Jason,

As you are aware, the offer I made to you during our conversation on Friday was the following:

1. Wall Street Recap Associates ("WSRA") will be provided one six-month option with two, subsequent and additional three-month option periods to purchase sites "A" and "B", simultaneously, for a combined purchase price of \$3,700,000, at a cost for the option

period of \$25,000 per month, paid each month, in advance, beginning with the date of execution of the option agreement;

2. Closing will take place upon final issuance of all necessary land-use approvals, including expiration of any appeal periods;
3. You and your company(ies) will support all WSRA applications, including agreeing to provide any required written support;
4. You will work diligently to assist WSRA in obtaining support from neighbors and local business organizations;
5. For a “nominal” monthly licensing fee WSRA will provide a specified number of your “Wall Street” residential-property residents access to the WSRA rooftop-recreation facility.

In addition to the terms listed in items 1-5, above, WSRA will:

1. Support your applications to the City of Norwalk for you to develop a specified number (number to be determined and agreed upon) of residential units on the two “Fairfield County Bank” building properties;
2. Work together with you to attempt to create a process and develop an agreement whereby you and the City of Norwalk will purchase, install, operate and maintain a “mechanized” parking system in the basement space of the WSRA Phase I Property.

Throughout our conversation on Friday I was clear that WSRA will not participate in, or be in any way involved in any litigation between you, your company(ies) and the City of Norwalk, including any and all city entities.

As soon as we have your agreement/acknowledgement as to the terms and conditions outlined above we will begin to prepare both an Option and Purchase and Sale Agreement for your review and execution.

John

Sent from my iPad

Begin forwarded message:

From: Jason Milligan <

Date: June 30, 2018 at 12:19:45 PM EDT

To: John McClutchy < " Steve Hall < "Johnson, Jeremy " <

Cc: "Coppola, Mario" < "Harry Rilling (hrilling@norwalkct.org)" <hrilling@norwalkct.org>, Jason Milligan < Marc Grenier <

Subject: Poko II-Time of the essence

John & Todd,

I was served with a lawsuit today from the City of Norwalk! I am not happy about it, and it makes it much more difficult to come to a speedy acceptable resolution.

I am currently willing to move forward under the offer terms that we have discussed and that I summarized in an email to you yesterday provided that two things happen by the 6th of July.

#1 The lawsuit that was just served to me needs to be withdrawn, completely. The city & RDA need to recognize Wall St Opportunity Fund, LLC as the lawful owner of Phase II.

#2 JHM or Citibank pays Wall St Opportunity Fund, LLC \$25,000, either in conjunction with an executed option agreement or along with a letter of intent. The \$25,000 is earned when paid and non-refundable. It is the cost to keep 21 & 23 Leonard St in a standstill for the month of July. August 1st another \$25,000 would be due to keep us at a standstill.

It is costing us \$25,000 per month. We have ideas and plans that we are anxious to move forward with. If we stand still we waste \$25,000. You want the standstill so you pay the \$25,000 not us.

This lawsuit is long and involved. We believe it to be frivolous and perhaps even vexatious, nevertheless it would cost us considerable time, money and resources to be engaged with it. If we are forced to defend against it even for 1 court appearance than the terms under which we would be willing to work with you will materially change.

We are also not willing to continue to negotiate with the litigation looming in the background, so a continuance is not acceptable. The lawsuit needs to be withdrawn/canceled forever.

The city/RDA still has the right to re-enter the "Leonard St lot" and we would be willing to consider reaffirming and/or amending the details of ReEntry to remove any ambiguity.

I realize we are entering a holiday week so if this is important to you and the city of Norwalk you better make it a priority.

I will warn you that Mario has made miscalculations in the past especially about the time value of money and the cost of litigation. The longer this takes and the more money I spend (Waste) it makes any potential agreement more expensive and therefore harder to come to terms. Right now, and for a very short time longer I am willing to sell 2 pieces of property for a break even, provided I get the other benefits we have discussed.

I look forward to your response.

Jason Milligan