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JERSEY CITY
REDEVELOPMENT AGENCY

EXECUTIVE

DIANA JEFFREY, ESQ.
ACTING EXECUTIVE DIRECTOR

STEVEN M. FULOP
MAYOR

April 17, 2018

Via Email and Certified Mail, Return Receipt Requested:

The KABR Group, LLC
100 Challenger Road, Suite 401
Ridgefield Park, NJ 07660
Attn.: Laurence J. Rappaport

RE: NOTICE OF EVENTS OF DEFAULT

Redevelopment Agreement dated April 21, 2015 (the “Redevelopment Agreement”) by and among the Jersey City Redevelopment Agency (the “Agency”), One Journal Square Partners Urban Renewal Company LLC, One Journal Square Tower North Urban Renewal Company LLC and One Journal Square Tower South Urban Renewal Company LLC (collectively, the “Redeveloper”) regarding the project known as “One Journal Square” (the “Project”)

Dear Mr. Rappaport,

Please be advised that Redeveloper is in default of the above-referenced Redevelopment Agreement. All capitalized terms not defined herein shall have the meaning ascribed to such terms in the Redevelopment Agreement. In accordance with Article VIII of the Redevelopment Agreement, you are hereby notified of the following Events of Default that have occurred and are continuing:

1. Failure of the Redeveloper to mobilize and commence construction of Phase I on or before January 1, 2017, in accordance with the Construction Schedule set forth at Schedule C-1.
2. Failure of the Redeveloper to submit to the Agency evidence of firm commitments for financing and any equity capital necessary to construct the Improvements constituting the Project on or before the expiration of the Initial Contingency Period or any extension thereof, in accordance with Section 4.01(b).
3. Failure of the Redeveloper to obtain or waive the Redeveloper Contingencies on or before the expiration of the Initial Contingency Period or any extension thereof, in accordance with Section 4.01(b).

In accordance with Section 8.01 of the Redevelopment Agreement, the Agency hereby demands that Redeveloper cure the foregoing Events of Default and any other Events of Default that may have occurred.

Since the execution of the Redevelopment Agreement, the Redeveloper has parted ways with its joint venture partner, proposed significant changes to the Project scope, sought multiple amendments to site plan approval, and has submitted its annual administrative fee due on April 21, 2017 to the Agency on April 4, 2018, nearly one full year past due. All of the foregoing raise concerns regarding Redeveloper's ability to present a cohesive capital stack and to see the Project through to fruition.

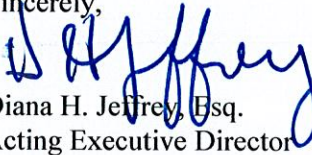
There may also be additional Events of Default ongoing under the terms of the Redevelopment Agreement. The Agency does not waive any right to call such defaults in the future and hereby reserves all rights and remedies as a result thereof.

As a result of these Event of Defaults, and pursuant to the Redevelopment Agreement, the Agency shall undertake such action, without further notice or demand, that the Agency deems advisable to protect and enforce its rights including, without limitation, declaring any and all obligations pursuant to the Redevelopment Agreement to be immediately due and payable, and the Agency may enforce or avail itself of any or all rights or remedies provided in the Redevelopment Agreement including, without limitation, all rights or remedies available at law or in equity.

No delay by the Agency in exercising any of its rights and remedies shall operate as a waiver of any rights or remedies available to the Agency. Any and all rights and remedies available to the Agency are cumulative and may be exercised separately, successively or concurrently at the sole discretion of the Agency. The Agency reserves any and all rights and remedies available under the Redevelopment Agreement and applicable law.

Please be guided accordingly.

Sincerely,


Diana H. Jeffrey, Esq.
Acting Executive Director

cc **Via Email and Certified Mail Return Receipt Requested:**
Gordon Gemma, Kushner Companies
Peter Greenspan, Deputy General Counsel, WeWork
Eugene T. Paolino, Esq., Genova Burns LLC
Noah Shapiro, Esq., Haynes and Boone, LLP
Ladder Capital Finance, LLC
Charles Kushner
Kenneth Pasternak
Adam Altman
Hon. Steven Fulop, Mayor
Peter Baker, Esq., Jersey City Corporation Counsel
Joseph P. Baumann, Esq. McManimon, Scotland & Baumann, LLC