

March 15, 2018

Via E-Mail and Regular Mail:

Eugene T. Paolino, Esq.
Genova Burns
30 Montgomery Street
Jersey City, NJ

Re: One Journal Square

Dear Mr. Paolino,

We are counsel to the Jersey City Redevelopment Agency (the "Agency"). We are in receipt of your correspondence dated February 20, 2018 with respect to the project referred to as "One Journal", and governed by that certain redevelopment agreement dated April 21, 2015 by and among 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 (as amended, the "Redevelopment Agreement"). Deputy Mayor Vigil asked our office to respond as it concerns numerous issues related to the Agency.

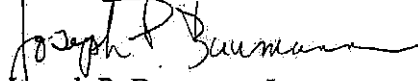
The recitation of the project's history in the February 20th correspondence omits a few key material issues, including but not limited to: (i) the withdrawal of We Work as a partner in the project; (ii) the resulting proposed reformation of the office component from a coworking space to traditional office space; (iii) the corresponding proposed reformation of the project to omit the We Live component and to replace it with additional conventional residential; (iv) the loss of certain State incentives tied to the coworking space; and (v) the absence of updated financial and other information required by the Agency to make an informed decision about the viability of the project.

We agree that as originally conceived, the Project was "iconic" and innovative. However, the significant proposed reconfiguration of the Project after the loss of the joint venture partner, which, contrary to your correspondence, materially changes the "general scope and essential nature of the Project", raises questions about the impact and viability of the resulting proposal. As a result, despite our multiple meetings in 2016 and 2017, and while there have been revised drafts of a redevelopment agreement commented on by the parties, contrary to your correspondence, there is no redevelopment agreement that is "nearly complete and almost ready for signature".

Any alleged detriment to the Project arises solely from the multiple Redeveloper delays including but not limited to those relating to the loss of the joint venture partner, significant changes to the project description and scope, and (as stated in your letter) "multiple amendments to the site plan approval". In addition, the Redeveloper did not commence construction within the construction schedule set forth in the Redevelopment Agreement, and was not in a position to meet these deadlines regardless of any action or inaction by the governmental entities due to

these Redeveloper delays. These delays, together with Redeveloper's failure to meet certain material terms of the Redevelopment Agreement, such as the obligation to make its annual administrative fee payment of \$40,000.00 to the Agency on April 21, 2017, raise concerns regarding Redeveloper's ability to see the project through to fruition. As you noted in your correspondence, there have been previous failed development efforts at the Project site. What Journal Square absolutely cannot bear is a partially built and failed project.

Sincerely,



Joseph P. Baumann, Jr.

cc/Via Electronic Mail Only:

Honorable Steven Fulop, Mayor

Jeremy Farrell, Esq., Corporation Counsel

David Donnelly, Executive Director of the Jersey City Redevelopment Agency

Jennifer Credidio, Esq.

Charles Kushner

Kenneth Pasternak