ANSELL GRIMM & AARON
A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW

60 PARK PLACE
SUITE 1114
NEWARK, NEW JERSEY 07102
973-642-1801

FACSIMILE
973-642-0310

WEBSITE:
www.ansellgrimm.com

OCEAN OFFICE
1500 LAWRENCE AVENUE, CN 7807
OCEAN, NEW JERSEY 07712
732-922-1000
732-922-6161 (fax)

CLIFTON OFFICE
341 BROAD STREET
CLIFTON, NEW JERSEY 07013
973-247-9000
973-247-9199 (fax)

DAVID K. ANSELL†
RICHARD B. ANSELL ‡
PETER S. FALVO, JR.
JAMES G. AARON
PETER B. GRIMM
MITCHELL J. ANSELL
BRIAN E. ANSELL ‡
ALLISON ANSELL RYAN ✧†
MICHAEL V. BENEDETTO
HAROLD GOLDMAN
DAVID B. ZOLOTOROFE
DONNA L. MAUL
RICK BRODSKY ♦
LAWRENCE H. SHAPIRO ♦ □
ROBERT A. HONECKER, JR. □ §
EDWARD J. AHEARN □
JENNIFER S. KRIMKO
GEORGE G. WHITMORE
FREDERICK C. RAFFETTO ~

IN MEMORIAM:
LEON ANSCHELEWITZ (1929-1986)
MAX M. BARR (1929-1993)
MILTON M. ABRAMOFF (1935-2004)
STEVEN J. BRODMAN (2004-2006)

KRISTINE M. BERGMAN □
JASON S KLEIN ♦
MELANIE J. SCROBLE
ANDREW J. PROVENCE ♦
BARRY M. CAPP ♦ Δ
LYNNE PETILLO
DOUGLAS A. DAVIE ♦
GREG S. GARGULINSKI ♦
HUSSAM CHATER♦
BRIDGET K. DORNEY♦
SYLVIA S. COSTENTINO♦

COUNSEL:
GORDON N. LITWIN
ROBERT I. ANSELL
LISA GOLDWASSER ♦

LICENSED ALSO IN:
Δ D.C. ✧MA. ♦ N.Y.
□ PA. ~FL

† FELLOW, AMERICAN ACADEMY OF MATRIMONIAL LAWYERS

‡ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CIVIL TRIAL ATTORNEY

§ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CRIMINAL TRIAL ATTORNEY

June 11, 2010

By Facsimile (Original by FedEx Overnight Delivery)
SHG Hoboken Urban Renewal Associates, LLC
% The S. Hekemian Group, LLC
45 Eisenhower Drive
Paramus, NJ 07652

Re: Purchase and Sale Agreement, City of Hoboken to SHG Urban Renewal Associates, LLC for Block 1, Lot 1, Hoboken, NJ / NOTICE OF PENDING BREACH OF CONTRACT

Gentlemen:

As you are aware, we are Special Counsel for the City of Hoboken. This notice of a pending breach by you of the Purchase and Sale Agreement ("PSA") by and between the City of Hoboken and SHG Hoboken Urban Renewal Associates, LLC is being provided in accordance with Section 15(a) of said agreement.

Yesterday afternoon, the City learned, through its own efforts, that SHG's consultant, H2M, has contacted and scheduled a telephone conference on Tuesday, June 15, 2010, with DEP Case Manager Michael Chudzik to discuss the City's recent environmental submissions pertaining to the Hoboken Public Works Garage site. H2M did so without first contacting or receiving the permission of the City, and H2M did not seek to include the City in the teleconference.

Under the PSA, which sets forth detailed procedures for obtaining environmental approvals, neither SHG nor its consultants have the right to have any ex parte contact with DEP concerning the City's application. Moreover, as detailed below, any ex parte meeting between the NJDEP and SHG or its consultants regarding the City's application may constitute a breach of the covenant of good faith and fair dealing that is implicit in the PSA (and all contracts entered into in the State of New Jersey).

Accordingly, we hereby (1) demand that SHG cancel this scheduled teleconference and confirm such cancellation to us in writing immediately, and (2) put SHG on notice that any further ex parte communication or meeting between DEP and SHG and/or its consultants may be deemed a

breach of contract, and may cause the City to invoke its rights under Section 15(a) of the PSA.

As SHG is aware, the City has set a closing date of August 13, 2010 for the purchase and sale of the Public Works Garage property. Under the PSA, the City has the affirmative obligation to obtain certain environmental approvals by the closing date, at the risk of SHG terminating the $25.5 million sale. Thus, the City is using its best efforts to meet its environmental obligations so that the closing may proceed. SHG has made statements, including, first, that SHG does not believe that the City will meet its environmental obligation in a timely manner, and, second, that such an occurrence would, by implication, be beneficial to SHG, which is currently seeking to recast its contractual obligations to the City in a manner more favorable to it. In light of such comments, any intervention in the City's application process may materially damage the contractual rights of the City and is improper.

Under the PSA, SHG and its consultants have no right to interfere with the City's dealings with DEP. Under the PSA, SHG and its consultants have the opportunity to review and comment on any prospective submissions by the City in furtherance of its application to DEP, and the City has, as required by the PSA, in good faith, reviewed and considered the incorporation of SHG's comments to the City's environmental submissions. SHG further has limited rights with respect to participating in meetings and teleconferences between the City and DEP. However, the PSA does not grant SHG the right to initiate or have ex parte communications with DEP regarding the City's submissions. Furthermore, as set forth in the PSA, SHG is indemnified from any willful misconduct or negligent omissions in connection with the completion of its environmental obligations. Therefore, we can conceive of no good reason for SHG to interject its views on the City's environmental submissions directly to DEP. Accordingly, we perceive such communications as a thinly-veiled attempt to extend and/or delay the review process and the issuance of the environmental approvals needed by the City to close the sale.

In summary, in light of the express contract provisions detailing the environmental process, the actions of H2M/SHG in surreptitiously contacting and seeking to confer with DEP while SHG is (a) publicly stating the City will not obtain timely DEP approvals, and (b) is seeking to recast its contract with the City and revise the project it agreed to build, are not only inappropriate but without justification.

In view of the above, we demand that SHG immediately take the actions requested above.

Very truly yours,

ANSELL GRIMM & AARON

By: Gordon N. Litwin
Gordon N. Litwin

cc: Mayor Dawn Zimmer
City Council of Hoboken
Michael Kates, Esq., Hoboken Corporation Counsel
John Scagnelli, Esq.
Douglas Cohen, Esq./by fax and FedEx
Francis X. Regan, Esq., DeCotiis, FitzPatrick, Cole & Wisler, LLP/by FedEx

ANSELL GRIMM & AARON
A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW

60 PARK PLACE
SUITE 1114
NEWARK, NEW JERSEY 07102
973-642-1801

FACSIMILE
973-642-0310

WEBSITE:
www.ansellgrimm.com

OCEAN OFFICE
1500 LAWRENCE AVENUE, CN 7807
OCEAN, NEW JERSEY 07712
732-922-1000
732-922-6161 (fax)

CLIFTON OFFICE
341 BROAD STREET
CLIFTON, NEW JERSEY 07013
973-247-9000
973-247-9199 (fax)

DAVID K. ANSELL†
RICHARD B. ANSELL‡
PETER S. FALVO, JR.
JAMES G. AARON
PETER B. GRIMM
MITCHELL J. ANSELL
BRIAN E. ANSELL‡
ALLISON ANSELL RYAN ◇†
MICHAEL V. BENEDETTO
HAROLD GOLDMAN
DAVID B. ZOLOTOROFF
DONNA L. MAUL
RICK BRODSKY ♦
LAWRENCE H. SHAPIRO ♦ □
ROBERT A. HONECKER, JR. □$
EDWARD J. AHEARN □
JENNIFER S. KRIMKO
GEORGE G. WHITMORE
FREDERICK C. RAFFETTO ~

IN MEMORIAM:
LEON ANSCHELEWITZ (1929-1986)
MAX M. BARR (1929-1993)
MILTON M. ABRAMOFF (1935-2004)
STEVEN J. BRODMAN (2004-2006)

KRISTINE M. BERGMAN □
JASON S. KLEIN ♦
MELANIE J. SCROBLE
ANDREW J. PROVENCE ♦
BARRY M. CAPP ♦ Δ
LYNNE PETILLO
DOUGLAS A. DAVIE ♦
GREG S. GARGULINSKI ♦
HUSSAM GHATER♦
BRIDGET K. DORNEY♦
SYLVIA S. COSTENTINO♦

COUNSEL:
GORDON N. LITWIN
ROBERT I. ANSELL
LISA GOLDWASSER ♦

LICENSED ALSO IN:
Δ D.C. ◇ MA. ♦ N.Y.
□ PA. ~ FL.

† FELLOW, AMERICAN ACADEMY OF MATRIMONIAL LAWYERS

‡ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CIVIL TRIAL ATTORNEY

$ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CRIMINAL TRIAL ATTORNEY

June 15, 2010

Via Facsimile & Overnight Mail Delivery
Francis X. Regan, Esq.
DeCotiis, Fitzpatrick, Cole & Wisler, LLP
500 Frank W. Burr Blvd., Suite 31
Teaneck, NJ 07666

Re: Purchase and Sale Agreement between City of Hoboken and SHG Hoboken Urban Renewal Associates, LLC
Block 1, Lot 1 – Hoboken, NJ

Dear Mr. Regan:

This letter is to reply to your letter of June 14, 2010 pertaining to the above.

In response to your request, it is the City's position that Section 5 of the PSA clearly sets forth the rights and responsibilities of the parties with respect to the environmental approvals required for the subject transaction. Section 5(c) designates the City as the party obligated to obtain those approvals, and Section 5(d) speaks to the role and limited rights of your client, SHG, with respect to the environmental approval process. In reading Section 5, and particularly 5(d), the City, not SHG, is the party that sets the agenda with DEP. As purchaser, SHG has only the limited right to attend and participate in meetings and substantive phone calls scheduled between the City and DEP, and not the other way around. Furthermore, as detailed in our June 10th letter, to the extent SHG forestalls or prejudices the City's application by meeting with DEP on its own initiative and without notice to or participation by the City, SHG appears to breach the covenant of good faith and fair dealing it owes to the City, which is implicit by law and no contract citation is necessary.

Your client has admitted that the purpose of its seeking to meet with DEP (to be clear, it did so without notice to the City) is to offer its critique of the RAWP submitted to the City. Not satisfied with the review and response offered by the City and its environmental professionals, who met with SHG, reviewed their comments, and offered written and verbal responses, SHG apparently intended to argue its case to DEP against the interests of the City. This is not the process prescribed by Section 5(d) of the PSA, and such an endeavor simply cannot be viewed as undertaken in good faith. This is also in the context of SHG seeking to renegotiate its contracts with the City and having submitted to the City Council that it was unlikely the City would obtain timely DEP approvals.

Secondly, the notice of "breach" contained in the third paragraph of your letter is baseless. You assert that the City has admitted to ex parte contacts with DEP, including in our June 10th letter. As noted above, the PSA only requires prior notice to SHG of "any meetings or ***substantive*** telephone calls with NJDEP." The City contacting DEP to request an update as to the status of its application, as referenced in our letter, is not a "substantive" telephone conversation. Furthermore, we are unaware of any other ex parte conversations with DEP that could reasonably be deemed to be "substantive." Therefore, your allegation of breach is without basis and unwarranted.

The fourth paragraph of your letter, wherein you state that SHG "is entitled to insure that the City fulfills its contractual and legal obligations with respect to the remediation," indicates a disconnect between SHG's rights under the PSA and its perceived role. It is the City's obligation to obtain and furnish the necessary environmental approvals, and in preparing its submissions to DEP, to review and "consider the incorporation" of SHG's comments. SHG does not have a right of authorship, nor does it have veto power, over these submissions. And when the City, acting in good faith under the guidance and direction of its professional environmental consultants, disagrees with SHG's comments, SHG does not have the right to interfere with the City's application to DEP by arguing that the City's submission is deficient in some respect.

With respect to your comments in the forth and fifth paragraphs of your letter pertaining to the City's environmental submissions, we regard any characterization of the City's efforts in exercising its obligation to coordinate the satisfaction of its environmental obligations with SHG as frivolous and baseless. At all relevant times, and on numerous occasions, the City has provided to SHG its prospective submissions to DEP for review and comment, reviewed those comments, conferred with SHG regarding its comments, incurred the time and expense of having its environmental professionals review and respond to those comments, and ultimately, to incorporate many of those comments into its submission to DEP. Your attempt to disparage the City's substantial efforts in this regard is both unfortunate and unfounded.

The City is aware of the respective rights and obligations of the parties under Section 5(e) of the PSA. Be advised however, a bona fide disagreement between professionals does not constitute "willful misconduct" or "negligent omissions" by the City's representatives, as your letter appears to imply.

In conclusion, participation by the City in the telephone call now scheduled for Thursday, June 17th with the DEP at which time, as set forth by John Scagnelli, Esq., David Rubin and Michael

Chudzik of the DEP will discuss "the Department's review" of the RAR/RAWP for the Hoboken Garage site, is not a waiver of the City's position as asserted in my prior letter of June 10, 2010 and is undertaken without prejudice to same.

Very truly yours,

Ansell Grimm & Aaron

By: Gordon N. Litwin

GNL:baf

cc: Mayor Dawn Zimmer
City Council of Hoboken
Michael Kates, Esq.
John Scagnelli, Esq.
Peter Hekemian, SHG Hoboken Urban Renewal Associates, LLC
Douglas M. Cohen, Esq., SHG Hoboken Urban Renewal Associates, LLC

ANSELL GRIMM & AARON
A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW

60 PARK PLACE
SUITE 1114
NEWARK, NEW JERSEY 07102
973-642-1801

FACSIMILE
973-642-0310

WEBSITE:
www.ansellgrimm.com

OCEAN OFFICE
1500 LAWRENCE AVENUE, CN 7807
OCEAN, NEW JERSEY 07712
732-922-1000
732-922-6161 (fax)

CLIFTON OFFICE
341 BROAD STREET
CLIFTON, NEW JERSEY 07013
973-247-9000
973-247-9199 (fax)

DAVID K. ANSELL†
RICHARD B. ANSELL ‡
PETER S. FALVO, JR.
JAMES G. AARON
PETER B. GRIMM
MITCHELL J. ANSELL
BRIAN E. ANSELL ‡
ALLISON ANSELL RYAN ✧ †
MICHAEL V. BENEDETTO
HAROLD GOLDMAN
DAVID B. ZOLOTOROFE
DONNA L. MAUL
RICK BRODSKY ♦
LAWRENCE H. SHAPIRO ♦ □
ROBERT A. HONECKER, JR. □§
EDWARD J. AHEARN □
JENNIFER S. KRIMKO
GEORGE G. WHITMORE
FREDERICK C. RAFFETTO ~

IN MEMORIAM:
LEON ANSCHELEWITZ (1929-1986)
MAX M. BARR (1929-1993)
MILTON M. ABRAMOFF (1935-2004)
STEVEN J. BRODMAN (2004-2006)

KRISTINE M. BERGMAN □
JASON S KLEIN ♦
MELANIE J. SCROBLE
ANDREW J. PROVENCE ♦
BARRY M. CAPP ♦ △
LYNNE PETILLO
DOUGLAS A. DAVIE ♦
GREG S. GARGULINSKI ♦
HUSSAM GHATER♦
BRIDGET K. DORNEY♦
SYLVIA S. COSTENTINO♦

COUNSEL:
GORDON N. LITWIN
ROBERT I. ANSELL
LISA GOLDWASSER ♦

LICENSED ALSO IN:
♦ D.C. ✧ MA. ♦ N.Y.
□ PA. ~ FL.

† FELLOW, AMERICAN ACADEMY OF MATRIMONIAL LAWYERS

‡ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CIVIL TRIAL ATTORNEY

§ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CRIMINAL TRIAL ATTORNEY

June 18, 2010

By Email, Facsimile & Overnight Mail Delivery
Robert H. Crespi, Esq.
Wolff & Samson PC
One Boland Drive
West Orange, New Jersey 07052

Re: Purchase and Sale Agreement between City of Hoboken and SHG Hoboken Urban Renewal Associates, LLC
Block 1, Lot 1 – Hoboken, NJ
NOTICE OF AN ADDITIONAL POTENTIAL BREACH OF CONTRACT

Dear Mr. Crespi:

Please be advised that we have received a copy of your email of yesterday to John Scagnelli, environmental counsel for the City of Hoboken ("the City"), pertaining to the City's environmental application pending before DEP. Because an additional potential breach of the Purchase and Sale Agreement ("PSA") by SHG Hoboken Urban Renewal Associates, LLC ("SHG") is threatened in your email (a copy of which is enclosed herewith), we are furnishing copies of this response to both SHG and its counsel, Francis X. Regan, Esq., in accordance with the notice provisions of the PSA.

We first respond to your assertion that SHG intends to conduct "additional due diligence sampling" upon the subject property "pursuant to the Access Agreement" with the City. As expressly provided in its Section 8, the Access Agreement expired on August 28, 2008 (i.e., 180 days from the execution date, February 28, 2008). Accordingly, SHG no longer has any right of physical access to the subject property to conduct any studies, investigations or tests. Moreover, under the Access Agreement, any such sampling was subject to the prior consent of the City, and could not be conducted as of right. We further note that SHG has had ample opportunity to study the subject property (both prior to the submission of its proposal in December of 2007 and during the 180-day window in 2008), and that the Closing date is now less than two (2) months away. Thus, the City is not amenable to altering the respective rights of the parties under the PSA in this regard.

Second, SHG has requested the City's draft scope of work for the work discussed during the June 17, 2010 conference call with DEP. DEP did not require a scope of work and the City is, accordingly, not submitting one to DEP. Therefore, the requested draft scope of work is not a "prospective submission" that would trigger any obligation of the City to circulate same to SHG for review and comment pursuant to Section 5 of the PSA.

Of course, the City does not object to your request that SHG and its consultants attend and observe the additional work to be conducted by the City, and will provide to SHG a schedule of the work as soon as same becomes available, so that SHG can, upon timely request to the City, arrange for its consultants to attend and observe the work.

Finally, after conferring with Mr. Scagnelli, the City objects to SHG submitting to DEP its "minutes" of the June 17, 2010 conference call. During the call, DEP did not request that minutes of the meeting be made and submitted to it. Accordingly, the City will not be submitting minutes of the call to DEP. Moreover, if SHG were to submit its "minutes" of the call to DEP, such "minutes" would constitute a "submission to DEP", and SHG is not authorized by the PSA to make such a submission to DEP concerning the City's application. Because of the apparent, adverse position of your client at this juncture, such a submission may interfere with the timely issuance of the approvals sought by the City. Such an unauthorized submission may be viewed as a breach of contract and specifically, a violation of the covenant of good faith and fair dealing. **Accordingly, we hereby notify SHG of this potential breach of contract in accordance with Section 15 of the PSA, and require that SHG refrain from making the contemplated submission to DEP.**

Very truly yours,

ANSELL GRIMM & AARON, P.C.

By: Gordon N. Litwin

Gordon N. Litwin

Enclosure

cc: Mayor Dawn Zimmer (by email)
City Council of Hoboken (by email)
Michael Kates, Esq. (by email)
John Scagnelli, Esq. (by email)
Peter Hekemian, SHG Hoboken Urban Renewal Assoc. (by fax / overnight mail)
Douglas M. Cohen, Esq., SHG Hoboken Urban Renewal Assoc. (by fax / overnight mail)
Francis X. Regan, Esq. (by fax / overnight mail)

ANSELL GRIMM & AARON
A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW

60 PARK PLACE
SUITE 1114
NEWARK, NEW JERSEY 07102
973-642-1801

FACSIMILE
973-642-0310

WEBSITE:
www.ansellgrimm.com

OCEAN OFFICE
1500 LAWRENCE AVENUE, CN 7807
OCEAN, NEW JERSEY 07712
732-922-1000
732-922-6161 (fax)

CLIFTON OFFICE
341 BROAD STREET
CLIFTON, NEW JERSEY 07013
973-247-9000
973-247-9199 (fax)

DAVID K. ANSELL†
RICHARD B. ANSELL ‡
PETER S. FALVO, JR.
JAMES G. AARON
PETER B. GRIMM
MITCHELL J. ANSELL
BRIAN E. ANSELL ‡
ALLISON ANSELL RYAN ✧ †
MICHAEL V. BENEDETTO
HAROLD GOLDMAN
DAVID B. ZOLOTOROFE
DONNA L. MAUL
RICK BRODSKY ♦
LAWRENCE H. SHAPIRO ♦ □
ROBERT A. HONECKER, JR. □ §
EDWARD J. AHEARN □
JENNIFER S. KRIMKO
GEORGE G. WHITMORE
FREDERICK C. RAFFETTO ~

IN MEMORIAM:
LEON ANSCHELEWITZ (1929-1986)
MAX M. BARR (1929-1993)
MILTON M. ABRAMOFF (1935-2004)
STEVEN J. BRODMAN (2004-2006)

KRISTINE M. BERGMAN □
JASON S KLEIN ♦
MELANIE J. SCROBLE
ANDREW J. PROVENCE ♦
BARRY M. CAPP ♦ ▲
LYNNE PETILLO
DOUGLAS A. DAVIE ♦
GREG S. GARGULINSKI ♦
HUSSAM CHATER ♦
BRIDGET K. DORNEY ♦
SYLVIA S. COSTENTINO ♦

COUNSEL:
GORDON N. LITWIN
ROBERT I. ANSELL
LISA GOLDWASSER ♦

LICENSED ALSO IN:
▲ D.C. ✧ MA. ♦ N.Y.
□ PA. ~ FL

† FELLOW, AMERICAN ACADEMY OF MATRIMONIAL LAWYERS

‡ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CIVIL TRIAL ATTORNEY

§ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CRIMINAL TRIAL ATTORNEY

June 25, 2010

By Email, Facsimile & Overnight Mail Delivery
Robert H. Crespi, Esq.
Wolff & Samson PC
One Boland Drive
West Orange, New Jersey 07052

Re: Purchase and Sale Agreement between City of Hoboken and SHG Hoboken Urban Renewal Associates, LLC
Block 1, Lot 1 – Hoboken, NJ
NOTICE OF AN ADDITIONAL POTENTIAL BREACH OF CONTRACT

Dear Mr. Crespi:

We are in receipt of several communications of yesterday and today made on behalf of your client, SHG Hoboken Urban Renewal Associates, LLC ("SHG"), to representatives of the City of Hoboken ("the City") concerning the Public Works Garage site. Please be advised as follows:

1. Your client does not have any contractual right to "confirm the City's compliance with its environmental obligations" in the manner described in your emails of June 24, 2010 (7:25 p.m.) and of June 25, 2010 (11:28 a.m.). SHG is contractually bound to cooperate with the City's efforts and to deal with the City in good faith, not to police, critique, veto or otherwise interfere with the City's efforts to obtain timely environmental approvals required to meet its Closing obligations.

2. Your client does not presently have any contractual right to conduct any "due diligence investigation," as otherwise suggested by SHG's consultant, H2M, in its letter of June 24, 2010, and by your email of June 25th.

a. To reiterate what was communicated to you in our letter of June 18, 2010, SHG was permitted and encouraged to conduct environmental due diligence, including any testing, prior to the submission of its proposal to purchase the property in November of 2007. SHG failed to conduct any such activities. Accordingly, SHG is not now

entitled, some two and a half (2 ½) years later, to access the City's property and perform such activities, including those activities described in H2M's letter of June 24, 2010.

b. To reiterate what was also communicated to you in our letter of June 18, 2010, your client had the right to visually inspect the property and, subject to the further approval of the City, to conduct testing for informational purposes during a 180-day window under the PSA and, specifically, the Access Agreement, which has long since expired.

c. At no time before or after the expiration of the above periods, has your client asserted or utilized the claimed rights it now seeks to invoke.

3. With respect to the proposed "due diligence" work described in H2M's letter of June 24, 2010, we further note:

a. The issue concerning the possible presence of USTs under the sidewalks of Park and Willow Avenues has been resolved in accordance with the directives, and to the satisfaction, of DEP. During a site meeting in November with DEP, which your client attended, the case manager advised the City to take and test several sidewalk borings. The City has performed this work and the results did not indicate the presence of any USTs in these areas. Accordingly, even if SHG had a right to further investigation, there is no reasonable basis for the proposed work in this regard.

b. Your client has effectively sat back for more than 2 ½ years, including, without limitation, through (i) the designated due diligence period, (ii) the 180-day term of the Access Agreement, and (iii) site visits and teleconferences with DEP, and only now, while the City is employing all reasonable efforts to obtain its environmental approvals before the Closing date (which is less than 50 days from now), furnishes a scope of work for "due diligence investigations". It is wholly unreasonable for SHG to make such a request at this juncture, and clearly, the City cannot reasonably be expected to accommodate same.

4. Your client has no contractual right to be present on the subject premises during the performance of the City's additional remedial work ("the Work"). As a courtesy, and in the spirit of cooperation and transparency, the City has allowed SHG and its representatives to observe the work and to take pictures of the work. In response, SHG has interfered and/or attempted to interfere with the Work by:

a. Demanding that soil samples be split and provided to it, notwithstanding no contractual right to same, which demand was made to City representatives as they were performing the Work;

b. Demanding to be advised of the PID readings as they were being taken in the field, notwithstanding no contractual right to same;

c. Attempting to take PID samples today (while the Work was underway), after being told on June 18th that it was not permitted to conduct any sampling activities;

d. Attempting to direct the manner in which the City's representatives conduct the Work, including by demanding, while onsite, that certain tasks be performed in certain ways, by requesting the right to give technical "suggestions" to the City's environmental consultants and contractors relating to the performance of the Work, and by communicating, directly to the City's environmental consultant, that the Work be held up until your client's representatives arrived for scheduled Work;

e. Engaging in these and other activities to the extent that today, the City representatives had to divert their attention from the Work to meet with your client's representatives to demand that they stop interfering with the Work.

5. For reasons stated in our letters of June 11th, 15th and 18th, we vigorously object to your client contacting DEP to critique the Work performed by the City, which SHG intends to do according to your June 25th email. It is untenable that SHG believes it can act in good faith while alleging to DEP that the City, in performing the Work, failed to follow some protocol or violated a Technical Regulation. To be sure, the City is performing the Work in accordance with all applicable technical requirements. Once again, we would deem any such communication or submission as a potential breach of contract, and SHG is once again on notice of our position.

Accordingly, we hereby (1) advise that the above conduct by your client has interfered with the Work and constitutes a potential breach of the PSA, (2) demand that your client cease and desist from further interfering with the Work in any manner whatsoever, and (3) refrain from making any ex parte communication with DEP concerning the Work.

Very truly yours,

ANSELL GRIMM & AARON, P.C.

By: _____
Gordon N. Litwin

cc: Mayor Dawn Zimmer (by email)
City Council of Hoboken (by email)
Michael Kates, Esq., Jennifer Maier, Brandi Forbes and Arch Liston/Hoboken (by email)
John Scagnelli, Esq. (by email)
Peter Hekemian, SHG Hoboken Urban Renewal Assoc. (by fax / overnight mail)
Douglas M. Cohen, Esq., SHG Hoboken Urban Renewal Assoc. (by fax / overnight mail)
Francis X. Regan, Esq. (by fax / overnight mail)

ANSELL GRIMM & AARON
A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW

60 PARK PLACE
SUITE 1114
NEWARK, NEW JERSEY 07102
973-642-1801

FACSIMILE
973-642-0310

WEBSITE:
www.ansellgrimm.com

OCEAN OFFICE
1500 LAWRENCE AVENUE, CN 7807
OCEAN, NEW JERSEY 07712
732-922-1000
732-922-6161 (fax)

CLIFTON OFFICE
341 BROAD STREET
CLIFTON, NEW JERSEY 07013
973-247-9000
973-247-9199 (fax)

DAVID K. ANSELL†
RICHARD B. ANSELL ‡
PETER S. FALVO, JR.
JAMES G. AARON
PETER B. GRIMM
MITCHELL J. ANSELL
BRIAN E. ANSELL ‡
ALLISON ANSELL RYAN ✧ †
MICHAEL V. BENEDETTO
HAROLD GOLDMAN
DAVID B. ZOLOTOROFE
DONNA L. MAUL
RICK BRODSKY ♦
LAWRENCE H. SHAPIRO ♦ □
ROBERT A. HONECKER, JR. □ §
EDWARD J. AHEARN □
JENNIFER S. KRIMKO
GEORGE G. WHITMORE
FREDERICK C. RAFFETTO ~

IN MEMORIAM:
LEON ANSCHELEWITZ (1929-1986)
MAX M. BARR (1929-1993)
MILTON M. ABRAMOFF (1935-2004)
STEVEN J. BRODMAN (2004-2006)

KRISTINE M. BERGMAN □
JASON S KLEIN ♦
MELANIE J. SCROBLE
ANDREW J. PROVENCE ♦
BARRY M. CAPP ♦ Δ
LYNNE PETILLO
DOUGLAS A. DAVIE ♦
GREG S. GARGULINSKI ♦
HUSSAM CHATER ♦
BRIDGET K. DORNEY ♦
SYLVIA S. COSTENITNO ♦

COUNSEL:
GORDON N. LITWIN
ROBERT L. ANSELL
LISA GOLDWASSER ♦

LICENSED ALSO IN:
Δ D.C. ✧ MA. ♦ N.Y.
□ PA. ~ FL.

† FELLOW, AMERICAN ACADEMY OF MATRIMONIAL LAWYERS

‡ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CIVIL TRIAL ATTORNEY

§ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CRIMINAL TRIAL ATTORNEY

June 30, 2010

By Facsimile (Original by FedEx Overnight Delivery)
Francis X. Regan, Esq.
DeCotiis, FitzPatrick & Cole, LLP
500 Frank W. Burr Blvd., Suite 31
Teaneck, NJ 07666

Re: Purchase and Sale Agreement between City of Hoboken and SHG Hoboken Urban Renewal Associates, LLC
Block 1, Lot 1, Hoboken, New Jersey

Dear Mr. Regan:

I am in receipt of your letter of June 25, 2010, on behalf of your client, SHG Hoboken Urban Renewal Associates, LLC ("SHG"), a copy of which is annexed for reference.

Your letter does not dissuade the City from its position that SHG (1) does not (presently) have the contractual right to access the property, (2) cannot initiate ex parte communications with DEP to critique the City's submissions and be considered to be acting in good faith, and (3) does not supplant DEP as the arbiter of what steps the City must take to obtain its environmental approvals. Having detailed our position in letters dated June 11th, 15th, 18th and 25th to SHG's counsel, we find no need to further debate the clear terms of Section 5 of the Purchase and Sale Agreement ("PSA").

Your account of the events surrounding the recent teleconference with NJDEP is revisionist history. John Scagnelli most certainly did not "unilaterally" arrange the most recent teleconference with DEP. As your clients are fully aware, SHG initially scheduled this call with DEP, and did so without any intention of including the City on the call. As acknowledged by your client, SHG purportedly did this so that it could deliver its comments concerning the City's Remedial Action Report/Remedial Action Workplan ("RAR/RAWP") directly to DEP. When the City learned of SHG's endeavor, it vigorously objected and ultimately, the City was included as a participant and the call was rescheduled in the manner described in Mr. Scagnelli's email.

Your statement that the City's environmental consultant admitted that the City failed to follow the technical regulations of the NJDEP when performing its most recent investigation is a further attempt to revise the record and is incorrect. As your client is well aware, the City's representatives, including its environmental consultant, Neil Jiorle, participated in a conference call with SHG's representatives, including its environmental consultant, H2M, on June 2, 2010 to discuss the City's RAR/RAWP. Prior to that call, H2M sent a May 14, 2010 letter to SHG, copied to the City, taking the position that the City's RAR/RAWP reflected a failure to follow the technical regulations of the NJDEP during said investigation. By letter of May 25, 2010, Mr. Jiorle refuted H2M's allegations that the City failed to comply with NJDEP's technical regulations. During the June 2, 2010 conference call between the City's and SHG's representatives, Mr. Jiorle did not state that there was any violation of the NJDEP's technical regulations. Further, at no time during the June 17, 2010 conference call with NJDEP staff held to discuss the City's RAR/RAWP and its recent investigations, in which both the City's and SHG's representatives participated, did NJDEP staff state that the City had failed to follow the technical regulations of the NJDEP.

With respect to SHG's demand that the City withdraw its June 11th and June 18th notices of pending or potential breaches of contract, the City will only acknowledge that, to the extent of our knowledge, the ex parte call with DEP initially scheduled by SHG for June 12th did not occur. Again, that ex parte communication was apparently avoided only following numerous communications by the City advising that such contact by SHG with DEP may constitute a breach of contract.

Very truly yours,

ANSELL GRIMM & AARON, P.C.

By: _____
Gordon N. Litwin

cc: Mayor Dawn Zimmer (by email)
City Council of Hoboken (by email)
Michael Kates, Esq., Jennifer Maier, Brandi Forbes and Arch Liston/Hoboken (by email)
John Scagnelli, Esq.; Neil Jiorle (by email)
Peter Hekemian, SHG Hoboken Urban Renewal Assoc. (by fax / overnight mail)
Douglas M. Cohen, Esq., SHG Hoboken Urban Renewal Assoc. (by fax / overnight mail)

ANSELL GRIMM & AARON
A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW

60 PARK PLACE
SUITE 1114
NEWARK, NEW JERSEY 07102
973-642-1801

FACSIMILE
973-642-0310

WEBSITE:
www.ansellgrimm.com

OCEAN OFFICE
1500 LAWRENCE AVENUE, CN 7807
OCEAN, NEW JERSEY 07712
732-922-1000
732-922-6161 (fax)

CLIFTON OFFICE
341 BROAD STREET
CLIFTON, NEW JERSEY 07013
973-247-9000
973-247-9199 (fax)

*DAVID K. ANSELL†
RICHARD B. ANSELL‡
PETER S. FALVO, JR.
JAMES G. AARON
PETER B. GRIMM
MITCHELL J. ANSELL
BRIAN E. ANSELL‡
ALLISON ANSELL RYAN ✧†
MICHAEL V. BENEDETTO
HAROLD GOLDMAN
DAVID B. ZOLOTOROFF
DONNA L. MAUL
RICK BRODSKY ♦
LAWRENCE H. SHAPIRO ♦ □
ROBERT A. HONECKER, JR. □§
EDWARD J. AHEARN □
JENNIFER S. KRIMKO
GEORGE G. WHITMORE
FREDERICK C. RAFFETTO ~

IN MEMORIAM:
LEON ANSCHELEWITZ (1929-1986)
MAX M. BARR (1929-1993)
MILTON M. ABRAMOFF (1935-2004)
STEVEN J. BRODMAN (2004-2006)

KRISTINE M. BERGMAN □
JASON S KLEIN ♦
MELANIE J. SCROBLE
ANDREW J. PROVENCE ♦
BARRY M. CAPP ♦ Δ
LYNNE PETILLO
DOUGLAS A. DAVIE ♦
GREG S. GARGULINSKI ♦
HUSSAM CHATER♦
BRIDGET K. DORNEY♦
SYLVIA S. COSTENTINO♦

COUNSEL:
GORDON N. LITWIN
ROBERT I. ANSELL
LISA GOLDWASSER ♦

LICENSED ALSO IN:
Δ D.C. ✧ MA. ♦ N.Y.
□ PA. ~ FL.

† FELLOW, AMERICAN ACADEMY OF MATRIMONIAL LAWYERS

‡ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CIVIL TRIAL ATTORNEY

§ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CRIMINAL TRIAL ATTORNEY

July 13, 2010

By Email, Facsimile & Overnight Mail Delivery
Robert H. Crespi, Esq.
Wolff & Samson PC
One Boland Drive
West Orange, NJ 07052

Re: Purchase and Sale Agreement between City of Hoboken and SHG Hoboken Urban Renewal Associates, LLC
Block 1, Lot 1 – Hoboken, NJ

Dear Mr. Crespi:

We are in receipt of your letter of July 7th on behalf of your client, SHG Hoboken Urban Renewal Associates, LLC ("SHG"), concerning the Public Works Garage site, which is the most recent in a series of recent communications from counsel for SHG concerning the pending transaction. At the risk of repeating what has been communicated to SHG's counsel in our letters of June 11th, 15th, 18th, 25th and 30th, please be advised as follows:

1. Notwithstanding your disparaging remarks, the City stands by its previously stated application of the terms and conditions of the Purchase and Sale Agreement with SHG (the "PSA"), including the Access Agreement incorporated therein.

2. We specifically reject your contention that SHG's right to study the subject property is without expiration, because the Access Agreement clearly and unequivocally provides otherwise. Moreover, the notion that SHG can sit on these alleged due diligence rights until one month prior to Closing is wholly unreasonable and contrary to the express terms of the Access Agreement and the Request For Proposals that initiated this entire transaction.

3. To reiterate, SHG has no present right of access or "due diligence rights". The UST issue referenced in your letter was the subject of prior meetings with DEP officials and the City has complied with all requests of the DEP pertaining to same. Accordingly, the City may, as it has, act within its contractual rights and in good faith, to deny SHG's request (made some

two (2) years after the execution of the PSA and a mere month before closing) to conduct additional last minute investigations upon the subject property.

4. After conferring with John Scagnelli, environmental counsel to the City, we disagree with your characterization of the actions (and proposed actions) of SHG's consultants (H2M) allegedly taken while present at the site during the recent field activities conducted by the City's consultant. In view of what transpired, the City intends to review whether it should continue its voluntary practice of permitting SHG's consultants to observe any future work (should any such work be required).

5. With respect to H2M's unsolicited comments and analysis of the City's recent field activities, as you were previously advised by Mr. Scagnelli, the City will prepare a Supplemental Remedial Action Report (SRAR) to document the recent field activities upon the subject property, and the SRAR will be forwarded to SHG for review and comment before submission to NJDEP.

6. While we appreciate the commitment from SHG to refrain from ex parte communications with DEP, we must advise that any communications initiated by SHG to DEP concerning the City's application are made at SHG's own risk. Based upon your client's representations that SHG is prepared to close on August 13th, the City is continuing, to dedicate significant time and expense, towards meeting its closing obligations. Any attempt by SHG to interfere or otherwise undermine those efforts will be considered a breach of the PSA and the implied covenant of good faith and fair dealing.

Thank you for your attention to this matter.

Very truly yours,

ANSELL GRIMM & AARON, P.C.

By: Gordon N. Litwin

Gordon N. Litwin

cc: Mayor Dawn Zimmer (by email)
City Council of Hoboken (by email)
Michael Kates, Esq., Jennifer Maier, Brandi Forbes and Arch Liston/Hoboken (by email)
John Scagnelli, Esq. (by email)
Peter Hekemian, SHG Hoboken Urban Renewal Assoc. (by fax / overnight mail)
Douglas M. Cohen, Esq., SHG Hoboken Urban Renewal Assoc. (by fax / overnight mail)
Francis X. Regan, Esq. (by fax / overnight mail)

ANSELL GRIMM & AARON
A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW

60 PARK PLACE
SUITE 1114
NEWARK, NEW JERSEY 07102
973-642-1801

FACSIMILE
973-642-0310

WEBSITE:
www.ansellgrimm.com

OCEAN OFFICE
1500 LAWRENCE AVENUE, CN 7807
OCEAN, NEW JERSEY 07712
732-922-1000
732-922-6161 (fax)

CLIFTON OFFICE
341 BROAD STREET
CLIFTON, NEW JERSEY 07013
973-247-9000
973-247-9199 (fax)

DAVID K. ANSELL‡
RICHARD B. ANSELL‡
PETER S. FALVO, JR.
JAMES G. AARON
PETER B. GRIMM
MITCHELL J. ANSELL
BRIAN E. ANSELL‡
ALLISON ANSELL RYAN ✧†
MICHAEL V. BENEDETTO
HAROLD GOLDMAN
DAVID B. ZOLOTOROFE
DONNA L. MAUL
RICK BRODSKY ♦
LAWRENCE H. SHAPIRO ♦ □
ROBERT A. HONECKER, JR. □ §
EDWARD J. AHEARN □
JENNIFER S. KRIMKO
GEORGE G. WHITMORE
FREDERICK C. RAFFETTO ~

IN MEMORIAM:
LEON ANSCHELEWITZ (1929-1986)
MAX M. BARR (1929-1993)
MILTON M. ABRAMOFF (1935-2004)
STEVEN J. BRODMAN (2004-2006)

KRISTINE M. BERGMAN □
JASON S KLEIN ♦
MELANIE J. SCROBLE
ANDREW J. PROVENCE ♦
BARRY M. CAPP ♦ Δ
LYNNE PETILLO
DOUGLAS A. DAVIE ♦
GREG S. GARGULINSKI ♦
HUSSAM CHATER♦
BRIDGET K. DORNEY♦
SYLVIA S. COSTENTINO♦

COUNSEL:
GORDON N. LITWIN
ROBERT I. ANSELL
LISA GOLDWASSER ♦

LICENSED ALSO IN:
Δ D.C. ✧ MA. ♦ N.Y.
□ PA. ~ FL.

† FELLOW, AMERICAN ACADEMY OF MATRIMONIAL LAWYERS

‡ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CIVIL TRIAL ATTORNEY

§ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CRIMINAL TRIAL ATTORNEY

August 4, 2010

By Email and Fax (Original by 1st Class Mail)
Robert H. Crespi, Esq.
Wolff & Samson PC
One Boland Drive
West Orange, NJ 07052

Re: Purchase and Sale Agreement between City of Hoboken and SHG Hoboken Urban Renewal Associates, LLC
Block 1, Lot 1 – Hoboken, NJ

Dear Mr. Crespi:

We are in receipt of your letter of August 3, 2010 to the City of Hoboken's ("City") environmental counsel, John Scagnelli, Esq., on behalf of SHG Hoboken Urban Renewal Associates, LLC ("SHG") regarding the Supplemental Remedial Action Report ("SRAR") for AOC-10 concerning the above property and Weston Solutions' response letter to the comments of H2M regarding the SRAR.

Please be advised that the City has considered SHG's "demand" that a meeting or teleconference be scheduled with the NJDEP "to insure that NJDEP considers all of the facts during its review of the SRAR". Having conducted a detailed investigation of AOC-10 in the manner prescribed by NJDEP, having further considered and responded to each of H2M's 46 comments, and having then further incorporated many of H2M's comments into the comprehensive SRAR submitted to the NJDEP, the City and its consultants are confident that it has presented NJDEP with all of the facts necessary for a timely determination regarding its pending applications. Accordingly, the City does not regard such a meeting or teleconference as necessary or beneficial to its application process.

Please be further advised that the City regards SHG's threat of unilaterally contacting NJDEP to schedule such a meeting or teleconference as a potential breach of the Purchase and Sale Agreement ("PSA"). As we have communicated in writing to counsel for SHG numerous times during the past two months, SHG does not have any right to contact NJDEP on its own initiative, particularly for the purpose of critiquing the City's submissions. Such efforts can only serve to

undermine the City's diligent and resource-intensive efforts to obtain timely approvals required for closing the pending transaction. Accordingly, any such attempt may be regarded as a breach of the PSA, particularly the implied covenant of good faith and fair dealing.

Thank you for your attention to this matter.

Very truly yours,

ANSELL GRIMM & AARON, P.C.

By: Gordon N. Litwin

Gordon N. Litwin

cc: Mayor Dawn Zimmer (all by email)
City Council of Hoboken
Michael Kates, Esq., Jennifer Maier, Brandi Forbes and Arch Liston / Hoboken
John Scagnelli, Esq.
SHG Hoboken Urban Renewal Assoc. (also by Overnight Delivery)
Francis X. Regan, Esq. (also by Overnight Delivery)

ANSELL GRIMM & AARON
A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW

60 PARK PLACE
SUITE 1114
NEWARK, NEW JERSEY 07102
973-642-1801

FACSIMILE
973-642-0310

WEBSITE:
www.ansellgrimm.com

OCEAN OFFICE
1500 LAWRENCE AVENUE, CN 7807
OCEAN, NEW JERSEY 07712
732-922-1000
732-922-6161 (fax)

CLIFTON OFFICE
341 BROAD STREET
CLIFTON, NEW JERSEY 07013
973-247-9000
973-247-9199 (fax)

DAVID K. ANSELL†
RICHARD B. ANSELL‡
PETER S. FALVO, JR.
JAMES G. AARON
PETER B. GRIMM
MITCHELL J. ANSELL
BRIAN E. ANSELL‡
ALLISON ANSELL RYAN ♦†
MICHAEL V. BENEDETTO
HAROLD GOLDMAN
DAVID B. ZOLOTOROFE
DONNA L. MAUL
RICK BRODSKY ♦
LAWRENCE H. SHAPIRO ♦ □
ROBERT A. HONECKER, JR. □ ‖
EDWARD J. AHEARN □
JENNIFER S. KRIMKO
GEORGE G. WHITMORE
FREDERICK C. RAFFETTO ~

IN MEMORIAM:
LEON ANSCHELEWITZ (1929-1986)
MAX M. BARR (1929-1993)
MILTON M. ABRAMOFF (1935-2004)
STEVEN J. BRODMAN (2004-2006)

KRISTINE M. BERGMAN □
JASON S KLEIN ♦
MELANIE J. SCROBLE
ANDREW J. PROVENCE ♦
BARRY M. CAPP ♦ Δ
LYNNE PETILLO
DOUGLAS A. DAVIE ♦
GREG S. GARGULINSKI ♦
HUSSAM CHATER♦
BRIDGET K. DORNEY♦
SYLVIA S. COSTENTINO♦

COUNSEL:
GORDON N. LITWIN
ROBERT I. ANSELL
LISA GOLDWASSER ♦

LICENSED ALSO IN:
Δ D.C. ♦ MA. ♦ N.Y.
□ PA. ~ FL.

† FELLOW, AMERICAN ACADEMY OF MATRIMONIAL LAWYERS

‡ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CIVIL TRIAL ATTORNEY

‖ CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CRIMINAL TRIAL ATTORNEY

August 5, 2010

By Email (Original by FedEx Overnight Delivery)
SHG Hoboken Urban Renewal Associates, LLC
% The S. Hekemian Group, LLC
45 Eisenhower Drive
Paramus, NJ 07652

Re: Purchase and Sale Agreement, City of Hoboken to SHG Urban Renewal Associates, LLC for Block 1, Lot 1, Hoboken, NJ / NOTICE OF BREACH OF CONTRACT

Gentlemen:

This morning, we were advised that SHG Hoboken Urban Renewal Associates, LLC ("SHG"), through its environmental counsel, Robert Crespi, has made an unauthorized, ex parte written communication to the New Jersey Department of Environmental Protection ("DEP") concerning the City of Hoboken's ("the City") pending application for environmental approvals required for the above transaction. We have repeatedly warned SHG that such communications would constitute a breach of contract. Nevertheless, SHG proceeded to make this communication, with the apparent intent of thwarting the City's good faith attempts to obtain these approvals. More than any of SHG's prior actions or threatened actions, this communication is an express and intentional attempt to prejudice the City's pending application. Accordingly, we furnish this **notice of a breach** by SHG of the Purchase and Sale Agreement ("PSA") by and between the City and SHG in accordance with Section 15(a) of said agreement.

Without limitation, the City specifically objects to and deems the following to be a breach of contract, including the implied covenant of good faith and fair dealing:

1) **The submission of H2M's 46-point critique of the draft SRAR to DEP without the consent or permission of the City.** In accordance with Section 5(d) of the PSA, the City reviewed this document in good faith and incorporated many comments contained therein into the final SRAR, and even provided a written response to SHG as to each of its 46 points. SHG had no right under the contract to then unilaterally submit this document to DEP for the purpose of persuading DEP that the City's SRAR was incomplete or deficient. Particularly

in light of SHG's recent advice that, for financial reasons, it needed to make major revisions to it obligations under the PSA, such action can only be perceived as bad faith on the part of SHG.

2) **The submission of Weston Solution's response to the 46-point critic without the consent or permission of the City and the conversion of same for such use.** While the City stands by the contents of this response, SHG had no right to use this document for anything more than its own informational purposes. Accordingly, submitting same to DEP in furtherance of SHG's attempt to forestall the City's environmental purposes is an act of bad faith.

3) **The transmittal letter of Robert Crespi, in which the City's SRAR is disparaged as "deficient and incomplete" and as "not [in compliance] with applicable regulations", without the consent or permission of, or prior review by, the City.** Mr. Crespi's letter (a copy of which is attached) is an express and overt attempt to discredit the City's pending application, and therefore does not comport with any notion of good faith and fair dealing.

The City deems this action by SHG to be a serious breach of contract, and in the event that the City's environmental approvals are not issued by DEP in a timely manner, the City reserves all of its rights with respect thereto. We further demand immediate rescission of the offending communication, but note that such rescission may not effectively cure the prejudicial effect of same.

Moreover, the City once again warns that any further ex parte communication or meeting between DEP and SHG and/or its consultants may be deemed a further and separate breach of contract, and may cause the City to invoke its rights under Section 15(a) of the PSA.

In closing, the City reserves all rights not expressly asserted herein with respect to the above transaction with SHG.

Very truly yours,

ANSELL GRIMM & AARON

By: Gordon N. Litwin
Gordon N. Litwin

Enclosure

cc: Mayor Dawn Zimmer (all by email)
City Council of Hoboken
Michael Kates, Esq., Jennifer Maier, Brandi Forbes and Arch Liston / Hoboken
John Scagnelli, Esq.
Mr. Neil Jiorle / Weston Solutions
Francis X. Regan, Esq. (also by Overnight Delivery)