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August 8, 2023

Via Email

Jared Chassen
jchassen@archcre.com

Re: Arch Real Estate Holdings LLC & JJ Arch LLC

Dear Mr. Chassen:

We have been retained to represent Jeffrey Simpson in his capacity as the Managing Partner of Arch Companies and Managing Member of JJ Arch LLC (“JJ Arch”) in connection with Arch Real Estate Holdings LLC (“AREH”).

For the reasons stated in Mr. Simpson’s August 5, 2023 email to you and herein, you have engaged in willful misconduct and breaches of fiduciary duty that constitute multiple Cause Events under the JJ Arch Operating Agreement. As a result, you have been forced to resign and are no longer a Member of JJ Arch. *See* JJ Arch Operating Agreement (as amended) § 1.1 (Definition of “Cause Event” and “Resignation”); *id.* § 7.5(a). **Accordingly, you are not permitted in the offices of JJ Arch, AREH, and Arch Companies, effective the morning of August 8, 2023.**

You are further hereby advised that the August 6, 2023 notice sent by 608941 NJ Inc. relating to AREH and the August 6, 2023 notice sent by you relating to JJ Arch (together, the “Notices”) are invalid under the LLC Operating Agreements of AREH and JJ Arch, respectively. The notices have no force or effect and are rejected in their entirety. Contrary to the assertions of the Notices, Mr. Simpson remains the managing member of JJ Arch, and JJ Arch, in turn, remains the managing member of AREH.

Among other things, you have willfully disregarded the valid and lawful August 5, 2023 notice from Mr. Simpson that you are no longer a Member of JJ Arch. In addition, you have taken a series of unlawful and fraudulent actions against Mr. Simpson in recent days, including (i) misleading a banking institution into removing Mr. Simpson’s access to bank accounts of JJ Arch and affiliated entities while lacking any authority to do so; (ii) misleading an IT consultant of Arch Companies into removing Mr. Simpson’s access to company email and records while lacking any authority to do so; and (iii) stealing Mr. Simpson’s automobile over the past weekend. This willful conduct, apparently aimed at harming Mr. Simpson, in fact, gravely harms JJ Arch, AREH, and Arch Companies—companies to which you owe fiduciary duties. These unlawful attempts at theft disqualify you from having access to any banking or monies on any JJ Arch, AREH, or Arch Companies accounts in the future.

Notably, upon being advised of your lack of management authority for JJ Arch's affairs, the bank representative and IT consultant whom you misled to act against Mr. Simpson have now reversed course and are working with Mr. Simpson to restore his access to company bank accounts and information assets.

Your willful misconduct as a member of JJ Arch also includes engaging in business discussions with your cousin's company, Infinity Real Estate, despite Mr. Simpson advising you and members of 35 Oak Holdings that this relationship presented a conflict of interest. Similarly, you offered employment to your brother-in-law and gave him a substantial raise despite his poor performance.

Further, upon engaging in diligence on Monday, August 7, 2023, Mr. Simpson has come to learn that you apparently advised employees not to come into the office on August 7, 2023 despite having no management authority to do so. Mr. Simpson has also learned that you made false representations about him to employees, leading to disruption in the workplace. In addition, you have made representations about payment of employee salaries with no authority to do so. By taking these unauthorized actions, you are bearing the risk of personal liability for interfering with employer obligations under federal labor and payroll laws.

You also engaged in willful misconduct when you took steps to lock Mr. Simpson out of the Arch Companies' offices. As you know, Mr. Simpson is the guarantor of the loan on the office property, among others. In addition, by unlawfully blocking Mr. Simpson's access to company email, you have placed his New York City Department of Buildings license at risk by preventing him from accessing critical communications, including from the Chief of the Buildings Department, who was trying to reach him but could not.

Based on diligence by Mr. Simpson, your recent willful misconduct appears to be the culmination of weeks of collusion between you and members of 35 Oak Holdings, beginning around July 19, 2023, in an attempt to unlawfully take control of JJ Arch and AREH from Mr. Simpson in violation of the Operating Agreements and other applicable law. As you know, Mr. Simpson is the sole managing member of JJ Arch under § 3.1 of the JJ Arch Operating Agreement (as amended). In that capacity, Mr. Simpson "shall have the unilateral power and authority acting in good faith to make and implement all decisions with respect to all matters which the Company has the authority to perform both directly and indirectly through an Investment Entity." In turn, JJ Arch—controlled by Mr. Simpson—is the sole managing member of AREH. Simply put, you are not a managing member and have no right to engage in agreements for JJ Arch or AREH without Mr. Simpson's consent.

Your unlawful attempts to wrest control of JJ Arch and AREH from Mr. Simpson have already led to the resignation of a key individual. In the coming days, Mr. Simpson will be taking immediate steps to correct the damage caused by your willful misconduct relating to employee management and company operations.

For all of these reasons, Mr. Simpson's August 5, 2023 notice of your removal remains in full force and effect, and you no longer hold any membership, management, or employment

position of any kind at JJ Arch, AREH, or Arch Companies. **You are directed not to attempt to enter company offices, effective August 8, 2023. If you enter the premises or attempt to lock Mr. Simpson out of the premises again, the authorities will be contacted.** Arch Companies personnel will organize your office contents for pick up and let you know when those items can be retrieved.

You are further directed to refrain from taking or purporting to take any further action of any kind on behalf of JJ Arch, AREH, or Arch Companies. You are prohibited from contacting any representative of 35 Oak Holdings or any personnel of AREH, JJ Arch, or Arch Companies going forward. In addition, you are prohibited from having any business relationship with JJ Arch, AREH, or Arch Companies going forward. Any breach of this directive will lead to immediate legal action being taken.

This notice is not intended to set forth the full scope of Mr. Simpson's rights, remedies, and claims against you, all of which are expressly reserved. Please be guided accordingly.

Sincerely,



Jordan M. Engelhardt, Esq.

CC: by email only

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