

56th and Park (NY) Owner, LLC
540 Madison Avenue, 8th Floor
New York, New York 10022

May 10, 2023

VIA OVERNIGHT MAIL

FR-AM One LLC
c/o Macklowe Properties
400 Park Avenue
New York, New York 10022
Attn: Harry Macklowe, Manager

VIA OVERNIGHT MAIL

FR-AM Two LLC
c/o Macklowe Properties
400 Park Avenue
New York, New York 10022
Attn: Harry Macklowe, Manager

VIA OVERNIGHT MAIL

432 FF&E LLC
c/o Macklowe Properties
400 Park Avenue
New York, New York 10022
Attn: Patricia Sabine Lazar, Manager

VIA OVERNIGHT MAIL

432 FF&E Mezz LLC
c/o Macklowe Properties
400 Park Avenue
New York, New York 10022
Attn: Patricia Sabine Lazar, Manager

NOTICE OF DEFAULT

Ladies and Gentlemen:

Reference is made to: (1) that certain mortgage loan in the original principal amount of \$345,000.00 made by 56th and Park (NY) Owner, LLC, a Delaware limited liability company ("Lender") to FR-AM One LLC, a Delaware limited liability company ("78B Mortgage Borrower"), as evidenced by, among other things, that certain Mortgage Note signed on May 6, 2022 (the "78B Mortgage Note"), made by 78B Mortgage Borrower to Lender and that certain Mortgage (And Assignment of Leases and Rents) and Security Instrument and Financing Statement dated as of May 9, 2022, and recorded on June 13, 2022, in the Office of the City Register of the City of New York as City Register File No. ("CRFN") 2022000235283 (the "78B

Mortgage”) made by 78B Mortgage Borrower to Lender; (2) that certain mezzanine loan in the original principal amount of \$31,622,858.29 made by Lender to FR-AM Two LLC, a Delaware limited liability company (“78B Mezz Borrower”), as evidenced by, among other things, that certain Mezz Promissory Note dated as of May 9, 2022 (the “78B Mezz Note”), made by 78B Mezz Borrower to Lender and that certain Pledge and Security Agreement dated as of May 9, 2022 (the “78B Pledge”), made by 78B Mezz Borrower to Lender; (3) that certain mortgage loan in the original principal amount of \$155,000.00 made by Lender to 432 FF&E LLC, a Delaware limited liability company (“78A Mortgage Borrower”), as evidenced by, among other things, that certain Mortgage Note signed on May 6, 2022 (the “78A Mortgage Note”), made by 78A Mortgage Borrower to Lender and that certain Mortgage (And Assignment of Leases and Rents) and Security Instrument and Financing Statement dated as of May 9, 2022, and recorded on June 28, 2022, in the Office of the City Register of the City of New York as CRFN 2022000255346 (the “78A Mortgage”; together with 78B Mortgage, each a “Mortgage” and collectively, the “Mortgages”) made by 78A Mortgage Borrower to Lender; and (4) that certain mezzanine loan in the original principal amount of \$14,293,940.31 made by Lender to 432 FF&E Mezz LLC, a Delaware limited liability company (“78A Mezz Borrower”; together with 78B Mortgage Borrower, 78B Mezz Borrower and 78A Mortgage Borrower, each a “Borrower” and collectively, “Borrowers”), as evidenced by, among other things, that certain Mezz Promissory Note dated as of May 9, 2022 (the “78A Mezz Note”; together with 78B Mortgage Note, 78B Mezz Note and 78A Mortgage Note, each a “Note” and collectively, the “Notes”), made by 78A Mezz Borrower to Lender and that certain Pledge and Security Agreement dated as of May 9, 2022 (the “78A Pledge”; together with 78B Pledge, each a “Pledge” and collectively, the “Pledges”), made by 78A Mezz Borrower to Lender. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings set forth in the applicable Note.

Section 1 of each of the Notes provides that “if the Borrower is in default in the payment to the Lender of any sum or amount of money which may fall due or be payable from time to time under the terms of this Note (a “Monetary Default”), the Borrower shall have a period of five (5) days after the Lender’s giving of notice to the Borrower within which time such default must be cured.” Borrowers are hereby notified they are in Monetary Default under the Notes, Mortgages, and Pledges because of Borrowers’ failure to pay all amounts due and owing under the Notes, Mortgages, and Pledges to Lender on or before March 31, 2023, the stated maturity date of all of the Notes (the “Maturity Date”). On the Maturity Date, the unpaid principal amount of each Note, together with all interest accrued and unpaid thereon and all other amounts due by the applicable Borrower thereunder (collectively, the “Outstanding Obligations”) were due and payable. Please be advised that, in accordance with the provisions of each of the applicable Notes, each of the Borrowers has five days after the receipt of this Notice of Default within which to cure the Monetary Defaults referenced herein. Failure by Borrowers to pay any and all of the Outstanding Obligations under any of the Notes prior to the expiration of the five-day cure period shall result in the occurrence of an Event of Default under each Note, Mortgage and/or Pledge, without further notice or action on the part of the Lender.

Nothing contained herein shall be construed as a modification of any Note, Mortgage, or Pledge, or as a waiver of any delinquency, breach, default or Monetary Default, at law or in equity, as an election of remedies by Lender, or as a waiver, modification or limitation of any of the rights or remedies of Lender, all of which are hereby expressly reserved. Lender expressly reserves the

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right to exercise, in such order as Lender elects, any one or more of the remedies available to it pursuant to the Notes, Mortgages, or Pledges, or otherwise at law and/or in equity. Any actions, omissions or forbearance by the Lender in the exercise of any such rights and remedies shall not constitute a waiver of such rights or any other rights and shall not be deemed to establish a course of conduct nor justify any expectation by any Borrower or any other person or entity that Lender will take any further action or continue to not take any action and will not preclude Lender from exercising any and all remedies available at any time thereafter. Lender may exercise each right and remedy available to it from time to time and as often and in such order as it may determine in its sole discretion, and the exercise or beginning of the exercise of any such right or remedy shall not be construed as a waiver of the right to exercise at the same time or thereafter any other right or remedy available to it. Lender is expressly not waiving any defaults, or Monetary Defaults under the Notes, Mortgages, and Pledges.

The acceptance or application by Lender at any time of any payment or other amount (other than payment in full of the Outstanding Obligations owing in respect of any Loan in accordance with the terms of the applicable Note and Mortgage or Pledge) does not waive, amend or alter any obligations of any Borrower under any Note, Mortgage, or Pledge, or constitute a satisfaction, accord or settlement of the indebtedness owing in respect of any Loan.

Any conversations, correspondence, proposals or discussions of proposals with Lender shall not be relied upon by any Borrower and shall not prejudice Lender's rights, and no such conversations, correspondence, proposals or discussions shall be legally binding on Lender unless and then only to the extent expressly set forth in any definitive documents actually executed and delivered by Lender.

This letter is written without prejudice to the rights and remedies of Lender under the Notes, Mortgages, and Pledges, at law, in equity or otherwise, all of which rights and remedies are specifically reserved. You are hereby notified that Lender shall strictly enforce the Notes, Mortgages, and Pledges in accordance with their respective terms.

Sincerely,

56th and Park (NY) Owner, LLC



By: _____

Name: David Thompson

Title: Vice President and Chief Financial Officer

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cc: Ellee Kim, Esq (via e-mail EKim@mackloweproperties.com)
Harry Macklowe (via e-mail HMacklowe@mackloweproperties.com)
Joshua Schiller (via e-mail JiSchiller@BSFLLP.com)