

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

WILLIAM DUGAN, MASHA D'YANS,
GEORGETTE GAGNON, LOWELL D. KERN,
MICHAEL MCCURDY, JOSE PELAEZ, TRACY
SNYDER, MICHAEL J. WALSH, LESLIE M.
MACK, ANITA ZITIS, and JAMES DOERR, on
Behalf of Themselves and All Other Persons Similarly
Situated,

Plaintiffs,

-against-

LONDON TERRACE GARDENS, L.P.

Defendant.

Index No.: 603468/2009

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement is submitted pursuant to CPLR 908 in furtherance of the settlement of this Action.¹ Subject to the approval of the Court, the Settlement is entered into by Plaintiffs and Defendant London Terrace Gardens, L.P. (“Defendant”). The Settlement is intended by Plaintiffs and Defendant to fully and finally compromise, resolve, discharge and settle the Action.

WHEREAS, Plaintiffs brought claims by putative class action complaints challenging the deregulation from rent stabilization of apartments at numerous buildings owned by Defendant

¹ Capitalized terms shall have the meanings ascribed to them below. Except as otherwise set forth herein, all defined terms used in this Stipulation shall include the singular and plural form of the term defined.

London Terrace Gardens, L.P. (the “Buildings”);²

WHEREAS, London Terrace Gardens, L.P. was named as a Defendant in the complaints (“Complaints”) filed in the Action;

WHEREAS, Defendant received J-51 benefits for the Buildings until June 30, 2014;

WHEREAS, the Complaints alleged that certain apartment units had been impermissibly deregulated pursuant to the “high rent/vacancy” and “high rent/high income,” or so-called “luxury decontrol,” provisions of the Rent Stabilization Law (“RSL”) and Rent Stabilization Code (“RSC”) while the Buildings were participating in the J-51 Program during the Class Damages Period;

WHEREAS, the Complaints sought as remedies, among other things, the Past Rent Claims and Future Rent Claims;

WHEREAS, on September 9, 2013, this Court granted the Dugan Plaintiffs’ motion for class certification, as well as Doerr’s motion for consolidation of the two actions and for class certification;

WHEREAS, Defendant represents that it made payments during the pendency of this action in excess of \$2,819,237.54 to certain Class Members in connection with Plaintiffs’ allegations in the Action and that approximately \$179,586.21 of that amount was sent/mailed/forwarded but were never cashed by Class Members;

WHEREAS, in Regina Metropolitan Co., LLC v. New York State Division of Housing and Community Renewal, 35 N.Y.3d 332 (2020), the Court of Appeals determined the methodology to ascertain the overpayment of rent of tenants that occupied apartments that were deregulated

² The ten buildings that comprise London Terrace Gardens, L.P. are located at 415, 425, 435, 445 and 455 West 23rd Street, and 420, 430, 440, 450 and 460 West 24th Street. The *Dugan* action was commenced on November 13, 2009 and the *Doerr* action commenced on December 8, 2009. The *Dugan* and *Doerr* complaints are referred to as the “Complaints”.

during the period their Owner was receiving J51 tax benefits for that building;

WHEREAS, to avoid the costs, distractions and uncertainties of litigation, Plaintiffs and Defendant have agreed to the resolution of the Action pursuant to the terms and conditions set forth below that shall be presented to the Court for approval pursuant to CPLR 908 after notice to the Class Members;

WHEREAS, on the basis of information available to them, including publicly available information, documentation made available by the parties and DHCR, the parties have determined that the Settlement described herein is fair, reasonable, adequate, and in the best interests of the Class provided that the settlement is approved by the Court;

THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by Plaintiffs and Defendant:

DEFINITIONS

- (a) “Action” means the consolidated class action lawsuits captioned above.
- (b) “Additional Charges” shall mean a tenant’s payment obligations to Defendant, other than rent for their individual Unit;
- (c) “Administration Costs” means all costs and expenses incurred by the Claims Administrator or any other entity relating to the administration of the Settlement, other than Notice Costs.
- (d) “Appeal” means an appeal or other judicial review seeking to modify or reverse an order or judgment by any person or entity with standing to do so including, without limitation, any petition or motion including petitions for rehearing or reargument, petitions for rehearing en banc, petitions for leave to appeal, and petitions for certiorari or any other form of review by a court of competent jurisdiction.
- (e) “Attorneys’ Fee Award and Expenses” shall have the meaning ascribed in paragraph 35.
- (f) “Base Date” pursuant to RSC § 2520.6(f)(1) is the date four years prior to the commencement of the first filed action, November 13, 2005.

- (g) “Base Date Amount” means:
- a. the amount of rent set forth or reserved in the lease for each individual Unit as of the Base Date; or
 - b. in the event a lease or renewal cannot be located for the month of November 2005 or the apartment was vacant for that month or any part thereof then the base rent shall be the rent that was actually paid for the month of November 2005 or the first rent paid thereafter; or
 - c. in the event that the individual Unit was subject to the Rent Control Law on November 13, 2005, the first rent reserved in the lease executed subsequent thereto, subject to any Fair Market Rent Appeal, if any, heretofore.
- (h) “Claim Form” means the document Class Members shall use to file a Past Rent Claim, a proposed draft of which appears as Exhibit A (Class Counsel shall provide a draft of Exhibit A to Defendant’s counsel on or before January 20, 2024. Class Counsel and counsel for the Defendant will finalize the Exhibit subject to their mutual agreement).
- (i) “Claims Administrator” shall have the meaning ascribed in paragraph 30.
- (j) “Class Counsel” means the law firms of Himmelstein McConnell Gribben & Joseph, LLP, Emery Celli Brinckerhoff Abady Ward & Maazel LLP, and Bernstein Liebhard LLP.
- (k) “Class Damages Period” means the damages calculation as reflected in the Berdon LLP calculation and analysis, subsequent to November 13, 2005.
- (l) “Class Interest Period” means the interest calculation set forth in the Berdon LLP analysis and calculation, during the period of November 13, 2005 through December 31, 2017, unless any Class Members’ damages were paid in full earlier, in which case, up to the date such Class Members were paid in full.
- (m) “Class Member” means any Eligible Renters in the Buildings who paid a rent for a Unit, pursuant to a non-rent stabilized lease, that was not calculated pursuant to the RSL and RSC, between November 13, 2005 and June 30, 2014, that exceeded the amount allowed by the Rent Stabilization Law and Code. Class Members may include: (i) the Tenant of a Unit rented to a corporation, limited liability company, limited partnership, limited liability partnership, professional limited liability company or any other business entity, which status is in good standing in the jurisdiction that they were established and, if previously inactive, is in good standing prior to the time for Class Members to Opt-out expires (as set forth in paragraph 40 herein); and (ii) a partner of Defendant or a member related to a partner of the Defendant who has not opted out of the class prior to the execution of this Agreement;

- (n) “Co-Signatory Tenancy” shall mean all Lease Terms for which there is a chain of overlapping co-signatories on the leases for a Unit, including where the co-signatories have changed but there is at least one co-signatory on each lease who was a co-signatory on the previous lease for the Unit. To illustrate, if tenants A and B sign a lease for a Unit, the next lease for the Unit has tenants B and C as co-signatories and the third lease for that same Unit has tenants C and D, then there is one Co-Signatory Tenancy for which A, B, C, and D are the co-tenants of that Co-Signatory Tenancy. This definition is solely for purposes of determining allocations from the Settlement Fund and does not affect any rights or obligations under the RSL or RSC.
- (o) “Current Legal Rent” shall have the meaning ascribed in paragraphs 7, 9 and 10 and shall apply only to Class Members who are Eligible Renters.
- (p) “Data” means the information set forth in the Berdon LLP analysis and analysis report, which will be delivered to, and reviewed by, Class Counsel pursuant to paragraph 47 of this Agreement. Class Counsel has agreed that it will serve as a basis for the amount to be determined in the Settlement Fund.
- (q) “DHCR” means the New York State Division of Housing and Community Renewal.
- (r) “Disbursement” shall have the meaning ascribed in paragraph 13.
- (s) “Doerr” means Plaintiff James Doerr.
- (t) “Dugan Plaintiffs” means plaintiffs William Dugan, Masha D’Yans, Georgette Gagon, Lowell D. Kern, Michael McCurdy, Jose Pelaez, Tracy Snyder, Michael J. Walsh, Leslie M. Mack, and Anita Zitis.
- (u) “Effective Date” means the earliest date that the Order and Final Judgment shall Become Effective. The Order and Final Judgment shall “Become Effective” on the first day following the last of the following occurrences: (a) the last date to file an Appeal or seek permission to Appeal has expired with no Appeal having been taken or sought; or (b) if any Appeal is taken or sought, the date a remittitur or order is entered by a court: (i) affirming the Order and Final Judgment or denying or dismissing any Appeal from the Order and Final Judgment, and any Appeal is finally dismissed or the Order and Final Judgment is finally affirmed with no possibility of subsequent Appeal therefrom; (ii) reversing or modifying the Order and Final Judgment in any non-material respect and (1) the time for any further Appeal has expired without such Appeal having been taken or sought or (2) any further Appeal is finally denied or dismissed or the Order and Final Judgment is finally affirmed with no possibility of subsequent Appeal therefrom; and (iii) reversing or modifying the Order and Final Judgment in a material respect provided Plaintiffs and Defendant agree in writing to remain bound to the Settlement as reversed or modified and (1) the time for any further Appeal has expired without such Appeal having been taken or sought or (2) any further Appeal is finally dismissed or the Order and Final Judgment is finally affirmed with no possibility

of subsequent Appeal therefrom. For purposes of this definition, a reversal or modification shall be deemed “material” if it materially affects any term of this Stipulation.

- (v) “Eligible Class Member” shall have the meaning ascribed in paragraph m.
- (w) “Eligible Renters” means: (a) natural tenants or corporate tenants who would qualify as rent stabilized under the RSL in Units during the “Class Damages Period”, and signatories to the lease; and (b) do not opt-out of the Settlement pursuant to paragraph 40.
- (x) “Fund” shall have the meaning ascribed in paragraph 12.
- (y) “Future Rent Claims” means the declaration sought by Plaintiffs in the Complaints for Class Members that are presently in occupancy that their future rents were to be set at levels in accordance with the RSL and RSC.
- (z) “Individual Apartment Improvement Increase” shall mean the adjustments of legal regulated rent as reflected in the Berdon LLP analysis and calculation.
- (aa) “Interest” means 6.5% of the damages due to any Class Member under the Settlement Formula, during the period of November 13, 2005 through December 31, 2017. Any monies: (a) paid by the Defendant in excess of the damage calculation plus interest, or (b) any default in payment by a Class Member of any rent, or (c) any default in payment by a Class Member of any use and occupancy if their lease expired, or (d) any default in the payment by a Class Member of rent if they vacated his or her apartment prior to the expiration of their lease, shall reduce the amount of any monies that may be owed to such Class Member and deposited into the Settlement Fund.
- (bb) “J-51 Program” means the New York City tax abatement program that was the subject of the Complaint.
- (cc) “J-51 Rider” means the notice accompanying a lease or lease renewal pursuant to RSL § 26-504(c).
- (dd) “Lease Term” shall have the meaning ascribed in paragraph 2.
- (ee) “Long Term Vacancy Increase” shall mean a rent adjustment upon vacancy or succession pursuant to 9 NYCRR § 2522.8 (a) and (b).
- (ff) “Major Capital Improvement” shall mean an adjustment of the legal regulated rent pursuant to the RSL and RSC pertaining to major capital improvements.
- (gg) “Net Term Amount” shall have the meaning ascribed in paragraph 2.
- (hh) “Non-Payment Deductions” shall have the meaning ascribed in paragraph 2.

- (ii) “Notice” means the notice of the terms of this Stipulation to be given to the Class following Preliminary Approval as described in paragraph 42.
- (jj) “Notice Costs” shall mean the Claims Administrator’s cost in providing the Notice exclusive of administration costs.
- (kk) “NPD Objections” shall have the meaning ascribed in paragraph 33.
- (ll) “Objectors” means Class Members who file with the court an objection to all or part of the Settlement Agreement.
- (mm) “Opt-Out” shall have the meaning ascribed in paragraph 40.
- (nn) “Order and Final Judgment” means the order to be signed by the Court granting final approval of the Settlement, a proposed draft of which appears as Exhibit B (Class Counsel shall provide a draft of Exhibit B to Defendant’s counsel on or before January 20, 2024. Class Counsel and counsel for the Defendant will finalize Exhibit B subject to their mutual agreement).
- (oo) “Order and Final Judgment Date” means the date the Order and Final Judgment is entered in the New York County Clerk’s Office.
- (pp) “Past Damages Amount” shall have the meaning ascribed in paragraph 2.
- (qq) “Past Rent Claims” means monetary damages sought by Plaintiffs in the Complaints based on the alleged overpayment of rents for the Units calculated as the difference between the rent that should have been charged had the Units been treated as subject to rent stabilization between November 13, 2005 to June 30, 2014, and the rent actually paid for the Units.
- (rr) “Plaintiffs” means William Dugan, Masha D’Yans, Georgette Gagon, Lowell D. Kern, Michael McCurdy, Jose Pelaez, Tracy Snyder, Michael J. Walsh, Leslise M. Mack, Anita Zitis, and James Doerr.
- (ss) “Preliminary Approval” shall have the meaning ascribed in paragraph 38.
- (tt) “Preliminary Approval Date” means the date the Preliminary Approval Order is entered in the New York County Clerk’s Office.
- (uu) “Preliminary Approval Order” means the order to be signed by the Court granting Preliminary Approval, a proposed draft of which appears as Exhibit C, which Class Counsel shall provide a draft of Exhibit C to Defendant’s counsel on or before January 20, 2024. Class Counsel and counsel for the Defendant will finalize the Exhibit subject to their mutual agreement.
- (vv) “Rent Guideline Board Increase” shall mean an adjustment in the legal regulated rent pursuant to a determination of the Rent Guidelines Board as defined by 9 NYCRR 2520.5 (m).

- (ww) “Releasing Class Members” shall have the meaning ascribed in paragraph 24.
- (xx) “Released Defendant” shall have the meaning ascribed in paragraph 23.
- (yy) “Releasing Defendant” shall have the meaning ascribed in paragraph 25.
- (zz) “Rent Increases” shall have the meaning ascribed in paragraph 8.
- (aaa) “RSC” means the New York City Rent Stabilization Code as amended through June 20, 2019.
- (bbb) “RSL” means the New York City Rent Stabilization Law as amended through June 20, 2019.
- (ccc) “Settled Claims” shall have the meaning ascribed in paragraph 26.
- (ddd) “Settlement” means the settlement of this Action pursuant to the terms and conditions of this Stipulation, the Supplemental Agreement, and the orders implementing same.
- (eee) “Settlement Expenditures” means Notice Costs and Administration Costs, collectively.
- (fff) “Settlement Formula” shall have the meaning ascribed in paragraph 1.
- (ggg) “Settlement Fund” means a fund to be created by the Defendant in accordance with paragraph 12 of this Agreement.
- (hhh) “Settlement Hearing” means the judicial hearing, on a date to be set by the Court, at which the Court will consider all arguments concerning whether the Settlement should be finally approved.
- (iii) “Standard Vacancy Increase” shall mean a rent adjustment upon vacancy or succession pursuant to 9 NYCRR § 2522.8 (a) and (b).
- (jjj) “Stipulation” means this Stipulation and Agreement of Settlement, together with the Exhibits.
- (kkk) Intentionally Left Blank.
- (lll) “Term Amount” shall have the meaning ascribed in paragraph 2.
- (mmm) “Unclaimed Funds” means any sums remaining in the Settlement Fund after all claims have been disbursed.
- (nnn) “Unit” means any apartment in the Buildings occupied by a Class Member between November 13, 2005 through June 30, 2014.

SETTLEMENT CONSIDERATION

Past Rent Claims

All Past Rent Claims for each Eligible Class Member shall be determined as follows:

1. The Settlement Formula. The rent formula for calculating Past Rent Claims shall be derived by:

- a) Adding to the Base Date Amount for the Class Damages Period: (i) all Standard Vacancy Increases (as of the time of the first vacancy after the Base Date, if such a vacancy occurred); (ii) all Long-Term Vacancy Increases after the Base Date; (iii) Individual Apartment Improvement Increases after the Base Date; (iv) all Rent Guideline Board Increases after the Base Date; (v) all other rent adjustments permitted by the RSL and RSC after the Base Date (the “Settlement Formula”); and
- b) Subtracting any amount paid or credited to a Class Member by Defendant in connection with this Action.

2. Past Damages Amount. If an Eligible Class Member during the Class Damages Period paid rent in excess of the result of the Settlement Formula as shown in the Data for the term of a lease (“Lease Term”), that Eligible Class Member will have a Past Rent Claim in the amount of that excess for that Lease Term (“Term Amount”) together with Interest as defined in paragraph (aa). If an Eligible Class Member during the Class Damages Period paid rent that was less than or equal to the result of the Settlement Formula calculated for that Lease Term, such Eligible Class Member will have a Term Amount of zero for that Lease Term. If an Eligible Class Member has more than one Lease Term, all of the Term Amounts will be added together and the sum shall be that Eligible Class Member’s “Net Term Amount.” The Net Term Amount shall be reduced by any non-payment of rent by the Eligible Class Member, subject to the right of an Eligible Class

Member to challenge the amount of non-payment (the “Non-Payment Deductions”) and any rent concessions for that Eligible Class Member that are not reflected in the billing used to calculate the Term Amounts and the resulting amount shall be the “Past Damages Amount” for that Eligible Class Member. By way of example, if the Eligible Class Member had a twelve-month Lease Term that recited a rent of \$1,500 per month, and the Settlement Formula rent during that Lease Term was \$1,000 per month, but the Eligible Class Member owed one month rent at the end of the Lease Term, the Past Damages Amount would be calculated as follows: the Eligible Class Member paid \$16,500 when that Eligible Class Member should have paid \$12,000. Therefore, the Eligible Class Member would have Past Damages Amount equal to \$4500, less any (i) nonpayment of rent (as provided *infra* at 3); and (ii) overpayments made to Class members if such Class members will receive anything in the Settlement. A Class Member will not owe Owner anything if that Class Member’s overpayment exceeds the amount that Class Member would have received in the Settlement.

3. Multiple Tenancies. If an Eligible Class Member leased more than one Unit during the Class Damages Period, all of the Term Amounts will be combined into one Past Damages Amount.

4. Joint Tenancies/Co-Tenancies. If there is more than one Class member named on a lease, then those Class Members shall count as one for all for purposes under this agreement, including the Past Damages Amount.

5. Transferability. Past Damages Amounts and claims for Past Damages Amounts shall not be assignable or otherwise transferable by Eligible Class Members to any person or entity, although an Eligible Class Member’s executor, administrator or trustee (for a trust that is in existence as of the Preliminary Approval Date or is a special needs trust) may file or accept

payment of that Class Member's claims.

6. Waiver of Non-Compensatory Damages. The Settlement Formula and Past Damages Amounts shall not include any amount based on any claim or calculation of treble damages, any other punitive damages, or fines. All claims for treble damages, punitive damages, or fines under the RSL, RSC or any other provision of law are hereby waived and released. The Order and Final Judgment shall provide that upon the facts and circumstances of the Action, an award of treble damages, punitive damages, or fines would not be warranted if the Action proceeded to trial and have been waived by Plaintiffs as a condition of maintaining the proceeding as a class action. The Parties acknowledge that Defendant believes that any apartment given to a Class Member with an unregulated lease prior to December 31, 2009 was done in good faith in accordance with the prevailing interpretation of law prior to *Roberts v. Tishman Speyer Properties L.P.*

Declared or Current Legal Rents

7. (a) The "Current Legal Rent" for each Unit shall be determined by increasing the Base Date Amount for each Unit by all of the following that occurred for that Unit from the Base Date to the Order and Final Judgment Date: all Standard Vacancy Increases; all Long Term Vacancy Increases; all Individual Apartment Improvement Increases; Rent Guideline Board Increases; all Rent Guidelines Board Increases; and all other rent increases and adjustments permitted under the Rent Stabilization Law and Code. The maximum legal collectable rent permissible to be charged pursuant to the RSL and RSC for each of the Units shall be calculated by reference to the Base Date. The amount of rent set out in the lease for each individual Unit as of the Base Date shall be the "Base Date Amount," even if a lesser or greater amount was actually charged as of that date. In the event a lease or renewal cannot be located for the month of

November 2005 or the apartment was vacant for that month or any part thereof, then the base rent shall be the rent that was actually paid for the month of November 2005 or the first rent paid thereafter. This paragraph does not apply to any apartment that was subject to rent control on the Base Date and subsequently decontrolled where a timely fair market rent appeal was filed with the DHCR.

(b) The parties acknowledge that the Berdon Calculation and Analysis reflects this methodology, that the lawful rents set forth in the Berdon Calculation and Analysis are accurate for purposes of this settlement and may be utilized as the basis for calculations of rent for the Units occupied by Class Members remaining subject to the RSL after July 1, 2014.

(c) For Class Member Units subject to Rent Control Law on November 13, 2005 the base date rent is that contained in the first lease executed after the date, subject to any Fair Market Rent Appeal, if any, heretofore.

8. For purposes of this Stipulation and the Order and Final Judgment, the terms Standard Vacancy Increases, Long Term Vacancy Increases, Individual Apartment Improvement Increases, and Rent Guidelines Board Increases shall have the meanings ascribed to them under the RSC and/or RSL (collectively, the “Rent Increases”). Rent Increase calculations for each Unit shall be based on the Data. The absence of any particular back-up documentation in Defendant’s files shall not invalidate any Rent Increase. The cost, scope and necessity of work performed in connection with Individual Apartment Improvement Increases shall be as reflected in Defendant’s records and shall not be subject to challenge by Class Members.

9. “Current Legal Rent” shall be calculated for a given Unit as follows: The Current Legal Rent will be set as described in paragraph 7. The amount of rent to be paid for each Unit as of the date hereof, December 29, 2023, through the expiration of the lease then in effect shall equal

that Unit's "Current Legal Rent" as registered with the Division of Housing and Community Renewal ("DHCR"). Current Legal Rents shall only be available to Eligible Class Members who (i) are current tenants named on a lease on the date the proposed settlement receives preliminary Court approval; (ii) participate in the Settlement; and (iii) offer releases to Defendant (the "Eligible Renters"). Eligible Renters shall not include other residential occupants.

10. Current Legal Rent shall not be available to any person or persons who are not Eligible Renters, including: (a) Opt-Outs; (b) any persons occupying the Unit who are not signatories to the Unit's lease; or (c) successor tenants of the Units occupied by Eligible Renters as of the Order and Final Judgment Date. Subject to paragraph 9 and the other provisions of this Stipulation, Current Legal Rents shall take effect in the first full month after the Effective Date and each renewal lease thereafter for Class Members who are: (i) tenants at one of the Buildings on the date the Settlement receives Preliminary Approval; and (ii) do not opt out of the Settlement pursuant to paragraph 40 below. For the purpose of this provision, Eligible Renter may include: (i) the Tenant of a Unit rented to a corporation, limited liability company, limited partnership, limited liability partnership, professional limited liability company or any other business entity, which status is in good standing in the jurisdiction that they were established and, if previously inactive, is in good standing prior to the time for Class Members to Opt-out expires (as set forth in paragraph 40 herein); and (ii) a partner of Defendant or a member related to a partner of the Defendant during the Class Damages Period who has not opted out of the class prior to the execution of this Agreement. Past Rent Claims and Current Legal Rents shall not include any amount based on any claim or calculation of treble damages, any other punitive damages, or fines. Provided Defendant does not willfully violate the provisions of paragraphs 1 to 10 of this Stipulation, all claims for treble damages under the RSL, RSC or any other provisions of law are

hereby waived and released. Nothing in this Settlement shall affect the status or rent of any Unit deregulated by an order of DHCR or a court of competent jurisdiction made at any time.

11. Intentionally Left Blank

THE SETTLEMENT FUND

12. Prior to the Preliminary Approval of the Settlement Agreement, Defendant may fully fund the Settlement Fund (defined in paragraph 12[a] herein) and the Fee and Expense Account (defined in paragraph 12[c] herein), subsequent to the signing of this Agreement at the option of the Defendant. If the Defendant does not fully fund the Settlement Fund and the Fee and Expense Account prior to the Preliminary Approval of the Settlement Agreement, then, within ten (10) days of the court's Preliminary Approval of the Settlement Agreement, Defendant shall:

(a) deposit the full amount still owed to Class Members, which shall reflect offsets, to Defendant's attorneys, as escrow agent. The Settlement Fund will consist of the amount paid in rents by Class Members minus the rents that ought to have been paid by those Class Members based on the Berdon Calculation & Analysis, less any (i) nonpayment of rent; and (ii) payments, if any, which were paid to Class Members during the pendency of this action, together with Interest, provided that insofar as any Class Member is determined to have paid less than the amount that ought to have been paid based on the Berdon Calculation & Analysis, the difference in what ought to have been paid and what was paid will not reduce the amount of the Settlement Fund, *i.e.*, the Settlement Fund will only be used to pay claims to class members. The Settlement Fund shall be deposited into an interest-bearing escrow account created by Defendant.

(b) Within ten (10) days after the time for Class Members to opt-out has expired, Defendant's attorneys will deposit into a separate interest-bearing escrow account maintained by the Claims Administrator, from their escrow account, any monies due to Class Members less: (a) any monies due to tenants that have opted out of the class; and (b) any offsets that have not been resolved and the time for a class member to submit their dispute to the court for a determination has expired.

(c) Within ten (10) days of the court's Preliminary Approval of the Settlement Agreement, Defendant shall deposit into a separate interest-bearing escrow account (the "Fee and Expense Account") maintained by Defendant's attorneys, the following:

(i) the sum of \$3,031,414.88, from which an award of attorney's fees and expenses may be made if approved by the Court; and

(ii) the amount of \$135,000, which sum will be used for incentive awards of \$15,000 to each Plaintiff. If any of the Plaintiffs occupied the same apartment during the Class Damages Period, then the Plaintiffs that lived in the same apartment will share the \$15,000 incentive award.

(d) Within ten (10) days of the court's Preliminary Approval of the Settlement Agreement, Defendant shall deposit into a separate interest-bearing escrow account maintained by the Claims Administrator the amount of \$100,000, which will be used for the administration of the Settlement ("Administrative Account"). Any unused funds will revert to Defendant.

(e) Any unclaimed or unused funds from the accounts listed in 12(a), (b), (c) and (d) will revert to Defendant. Unclaimed funds will consist of the amounts available to Class Members that do not submit a claim. Unused funds will consist of any funds deposited pursuant to 12(c) that are not paid to Class Counsel and/or the named Plaintiffs; and any funds deposited pursuant to 12(d), which are not used by the Claims Administrator.

13. Each Eligible Class Member who has a Past Damages Amount will receive a disbursement (a "Disbursement") pursuant to paragraph 2 above in the amount of such Eligible Class Member's Past Damages Amount(s). For purposes of this Settlement, co-tenants of a single Unit for each Lease Term reflected in the Data shall be considered together as one Class Member. If the Class Member for a particular Lease Term consists of two or more co-tenants, the Past Damages Amount will be divided equally among and disbursed proportionally to only those co-tenants who timely submit a Claim Form. Any Non-Payment Deductions also shall be made equally and proportionally from each such co-tenant's disbursement, even if other co-tenants exist but fail to submit a Claim Form (unless any other co-tenant opts out, in which case all the co-tenants shall be deemed to have opted out pursuant to paragraph 40 below, including those co-tenants who timely submit a Claim form). Any disputes among co-tenants concerning the allocation of any distributions under this Settlement must be addressed and resolved amongst the

co-tenants outside the scope of this Settlement and the existence of any such actual or potential disputes shall not be a basis for objecting to the Settlement. Class Members may obtain from Defendant, upon request, the rental history of their Unit(s) to confirm any damages award in this case.

14. Defendant shall pay Notice Costs and Administrative Costs, which amount shall be deposited by Defendant pursuant to paragraph 12(d). Prior to the conclusion of the Opt-Out period, the Claims Administrator shall pay the Notice Costs and Administrative Costs incurred from the Administrative Account upon the presentation of an invoice from the Claims Administrator to the Defendant and Class Counsel. The Claims Administrator shall obtain consent from Class Counsel and Defendant to enter into any contract relating to the administration of the Settlement. Any contract for the Claims Administrator shall be negotiated and executed by Class Counsel and Defendant's attorney. After the expiration of the Opt-Out period, any remaining Notice Costs and Administrative Costs shall be paid from the Settlement Fund. The total amount of Notice Costs and Administrative Costs payable shall not exceed \$100,000.00. Any undisbursed monies from the Administration Account shall be refunded to Defendant.

15. If the Settlement does not become effective or terminates for any reason, the Settlement Fund shall revert to the Defendant pursuant to paragraph 12(e). Any sums remaining in the Settlement Fund after all claims have been disbursed shall be returned to the Defendant pursuant to paragraph 12(e) herein.

16. In the event that a Class Member believes that Defendant improperly withheld all or part of a damage award or interest based upon Defendant's belief that such Class Member owed rent or additional charges, such dispute shall be resolved by the Court upon application of either Defendant or the affected Class Member. If a Class Member objects to the method of calculation

of their overcharge or lack of overcharge to that Class Member, then that Class Member's objection shall be resolved by the court.

OPT-OUT

17. (a) Class Members can opt out of the Settlement. Class Members who opt-out of the Settlement will not receive any payment from the Settlement Fund or derive the other benefits of the Settlement.

(b) Simultaneously herewith, the Parties, through counsel, are executing a confidential Supplemental Agreement Regarding Requests for Exclusion ("Supplemental Agreement"). The Supplemental Agreement sets forth certain conditions under which Defendant shall have the right to terminate the Settlement and render this Stipulation null and void in the event that requests for exclusion from the Class exceed certain agreed-upon criteria (the "Termination Threshold"). The Parties agree to maintain the confidentiality of the Supplemental Agreement, which shall not be filed with the Court unless a dispute arises as to its terms, or as otherwise ordered by the Court. The Supplemental Agreement shall not otherwise be disclosed unless ordered by the Court. If submission of the Supplemental Agreement is required for resolution of a dispute or is otherwise ordered by the Court, the Parties will undertake to have the Termination Threshold submitted to the Court in camera or under seal. In the event of a termination of this Settlement pursuant to the Supplemental Agreement, this Stipulation shall become null and void and of no further force and effect.

18. If more than two named Plaintiffs opt-out of the Settlement, this Settlement shall not be effective at the option of the Defendant.

19. If a Class Member opts-out from the Settlement, they may not object to the Settlement. Any and all Class Members that object to the Settlement shall be bound by the Order

and Final Judgment entered in this action.

COURT ORDER

20. The Court shall enter an order ensuring the enforceability of the terms of the Settlement.

21. The Order and Final Judgment shall, among other things, provide for the full and complete dismissal of the Complaint with prejudice. To the extent they are currently timely, the counterclaims interposed by Defendant are discontinued. The following claims Defendant has against any Class Member are preserved: (a) unpaid rent or use and occupancy, which was not offset against the damage award, plus interest; (b) any claim for rent which exceeds the Past Damages Amount for that specific Class Member; (c) other charges due Defendant, or (d) any other default under their lease. All Class Members' defenses to Defendant's claims that are preserved under this paragraph are also preserved.

22. The order and final judgment shall include the following declarations:

a) A declaration that units that were treated as unregulated from July 1, 2003 to June 30, 2014 by defendant, except for those deregulated pursuant to an order or judgment of a court or by an order of DHCR or a court of competent jurisdiction, are subject to the RSL, unless otherwise excluded pursuant to this agreement;

b) The base date for the calculation for lawful regulated rent for the tenant of any unit occupied by a Class Member is that set forth in paragraph (f) of the Definitions Section of this agreement.

c) The facts and circumstances of this action do not permit an award of treble damages, punitive damages, fines or any other award aside from that

provided for by this settlement.

d) The Current Rent Levels of a Class Member presently in occupancy of a unit is that reflected in the most recent registration statement filed by Defendant with DHCR.

The declarations set forth in paragraphs 22(c) and 22(d) are not binding on Class Members who opt-out.

RELEASES

23. “Released Defendant” means Defendant and all of its present and former lenders, investors, affiliates, subsidiaries and parent companies, including without limitation, limited liability companies, partnerships and corporations (including those that are minority-owned), and their respective officers, attorneys, members, principals, shareholders, heirs, executors, administrators, directors, managers, partners, employees, agents, consultants, advisors, or representatives, and the successors and assigns of each of the foregoing, including without limitation, any future owner of the Buildings.

24. “Releasing Class Member(s)” means each Class Member who does not timely and properly opt out of the Settlement, and the heirs, successors, trustees, executors, administrators, attorneys and assigns of each of them.

25. “Releasing Defendant” means Defendant and its successors and assigns.

26. “Settled Claims” means all statutory, regulatory, common law or other claims, causes of action, suits, administrative proceedings, arbitrations, liabilities, obligations, expenses, costs, penalties, damages, demands, and/or any other remedies of any nature whatsoever, whether asserted or unasserted, and whether known or unknown, under federal, state, local or any other law, whether legal, equitable or otherwise (including, without limitation, claims arising from or related to

alleged misrepresentation or nondisclosure, whether intentional or otherwise), arising at any time on or before the Order and Final Judgment Date, that are based upon or related to, or arise out of, in whole or in part, the facts, transactions, events, occurrences, acts, or failures to act that were or could have been alleged in the Action by any Plaintiff or Class Member against the Released Defendant, including without limitation, damages, penalties, punitive damages, treble damages, liabilities or other remedies relating to (a) residential rents at the Buildings, (b) the rent-regulated status of any Unit at the Buildings, and/or (c) any other claims arising under the RSL or RSC based on any act, event or alleged failure to act prior to the Order and Final Judgment Date, including but not limited to any claim that a tenant was entitled to any particular form of lease, notice, or that the Buildings had to be registered with any governmental agency; provided, however, that such release shall not include: (i) actions or proceedings pending on, or filed after, the date of this Stipulation for unrelated claims for bodily injury or damage to personal property.

27. Subject to the Court's approval of this Stipulation and entry of the Order and Final Judgment, as of the Effective Date: (a) each Releasing Class Member hereby forever waives, releases, and discharges all Settled Claims against the Released Defendant even if such Releasing Class Member failed to submit a Notice of Claim Form; (b) each Releasing Class Member shall thereafter be permanently enjoined from commencing, prosecuting, or continuing any of the Settled Claims against the Released Defendant even if such Releasing Class Member failed to submit a Notice of Claim Form; and (c) the Releasing Defendant hereby forever releases all Class Members, except Opt-Outs, from all statutory, regulatory, common law or other claims, causes of action, suits, administrative proceedings, arbitrations, liabilities, obligations, expenses, costs, penalties, damages, demands, and/or any other remedies of any nature whatsoever, under federal, state, local or any other law, whether legal, equitable or otherwise, arising at any time on or before

entry of the Final Order & Judgment, that are based upon or related to, or arise out of the Action except non-payment of rent and such other lawful charges, which shall be treated as otherwise set forth herein and actions or proceedings pending on, or filed after, the date of this Stipulation for unrelated claims for bodily injury or damage to personal property.

28. In addition to the above release language, the absence of any forms or notices or registration through the date of the first lease renewal for each Class Member after the Effective Date will not cause the loss of any rent increase or other adverse consequences to Defendant.

RESERVATION OF RIGHTS

29. Except as expressly set forth herein, if the Court fails to grant preliminary or final approval of the Settlement or the Settlement is terminated or does not become effective for any reason, then all parties' positions shall return to the status quo ante as if the Settlement never existed, and each party preserves, reserves and does not waive any and all of its respective rights, claims, defenses and remedies.

CLAIMS ADMINISTRATION

30. With the Court's approval and conditioned on the successful negotiation of a retention agreement in the form known as Exhibit D (Class Counsel shall provide a draft of Exhibit D to Defendant's counsel on or before January 20, 2024. Class Counsel and counsel for the Defendant will finalize Exhibit D subject to their mutual agreement), the Settlement Fund shall be administered by claims administrator, JND Legal Administration (the "Claims Administrator"). Any dispute concerning the amount of Administrative Costs to be paid to the Claims Administrator will be resolved by the Court.

31. To receive payment (or further payments) for Past Damages Amounts, Class Members shall file claims for distributions from the Settlement Fund pursuant to the procedures

set forth in the Claim Form known as Exhibit A (Class Counsel shall provide a draft of Exhibit A to Defendant's counsel on or before January 20, 2024. Class Counsel and counsel for the Defendant will finalize the Exhibit subject to their mutual agreement). If a single Unit had multiple co-tenants at any given time, any subsequent dispute as to the entitlement to any distribution under this Stipulation shall be solely between and among such co-tenants without recourse to the Settlement Fund and without any liability to any of the parties to this Stipulation. For identity verification purposes, all Claim Forms shall require Class Members to provide the month and year when their lease(s) commenced and terminated and the addresses of such Class Member's leased Unit(s).

32. Defendant shall provide Class Counsel and the Claims Administrator the names of all Eligible Class Members who submitted a Claim Form for whom a Non-Payment Deduction should be made. Any such Eligible Class Member shall receive a notice of the proposed Non-Payment Deduction claimed against that Eligible Class Member.

33. Each such Eligible Class Member shall have forty-five (45) days to submit an objection to the claimed Non-Payment Deduction and any supporting documentation or other materials (the "NPD Objections"). Class Counsel and Defendant will confer on the resolution of all NPD Objections. All NPD Objections that cannot be resolved will be submitted to the Court for determination.

34. Class Counsel shall move for a distribution order once the Claims Administrator has calculated and processed disbursements to a majority of Eligible Class Members who have timely filed a Claim Form. If at that time some disbursements to Eligible Class Members remain unresolved because of a dispute about the Non-Payment Deduction or for any other reason, Class Counsel or Defendant may apply to the Court for the creation of an escrow of the amount that may

be due such Eligible Class Members with disputed disbursements so that the disbursements set forth in paragraph 12 above may proceed without undue delay.

ATTORNEYS' FEES

35. After the Effective Date, Class Counsel may apply to the Court, and the Court may award fees and expenses, in accordance with law, which will be paid from the Fee and Expense Account (the "Attorneys' Fee Award and Expenses"). Class Counsel will not seek an award greater than \$3,031,414.88 for Attorney's Fees and Expenses. Defendant will not oppose an application for an award to Class Counsel that is made in accordance with this paragraph subject to paragraph 46.

36. Any attorneys' fees and litigation expenses awarded by the Court shall be paid from the Fee and Expense Account to Class Counsel immediately after entry of the order awarding such attorneys' fees and litigation expenses and entry of the Final Order and Judgment, or as otherwise ordered by the Court, notwithstanding the existence of any timely filed objections thereto or to the Settlement, or potential for appeal therefrom, or collateral attack on the fee and expense application, the Settlement, or any part thereof.

37. Any payment of attorneys' fees and litigation expenses pursuant to paragraphs 35 and 36 above shall be subject to Class Counsel's obligation to make refunds or repayments to the Fee and Expense Account of any paid amounts, plus accrued earnings at the same rate as is earned by the Fee and Expense Account, if as a result of any appeal or further proceedings on remand or successful collateral attack, the award of attorneys' fees and/or expenses is reduced or reversed by Final non-appealable court order. Class Counsel shall make the appropriate refund or repayment no later than thirty (30) calendar days after receiving notice from a court of appropriate jurisdiction of the disapproval of the Settlement by Final non-appealable court order or notice of any reduction

or reversal of the award of attorneys' fees and/or litigation expenses by Final non-appealable court order.

SUBMISSION FOR APPROVAL

38. No later than forty-five (45) days after execution of this Stipulation, Class Counsel with Defendant's consent shall submit this Stipulation with its exhibits to the Court for preliminary approval of this Stipulation and the Settlement (the "Preliminary Approval") and shall move for entry of the Preliminary Approval Order. Among other matters, the Preliminary Approval Order shall provide for: (a) the preliminary approval of the certification of the Class; (b) the preliminary approval of this Stipulation and the declaratory relief sought herein as being fair, just, reasonable and adequate to the Class; (c) the approval of the Notice; (d) the approval of a procedure for the filing of objections, if any; (e) the setting of a date for the Court to hold the Settlement Hearing; and (f) a stay of the proceedings in this Action in accordance with paragraph 52 below.

39. At or prior to the Settlement Hearing, Class Counsel with Defendant's consent shall request that the Court enter the Order and Final Judgment. The Order and Final Judgment shall have as exhibits schedules (to be filed under seal to preserve tenant confidentiality) showing the Current Legal Rents calculated as of the date of the Stipulation pursuant to the Settlement Formula, for each of the Units as calculated pursuant to this Stipulation. The Settlement shall be considered final on the Effective Date.

REQUESTS FOR EXCLUSION

40. Except as provided for in paragraph 22, each Class Member will be bound by all provisions of the Stipulation and Settlement, whether favorable or unfavorable, unless such person mails, by first class mail, a written request for exclusion from the Class, postmarked no later than twenty-one (21) days prior to the Settlement Hearing, addressed to the Claims Administrator,

which shall provide daily reports of such requests to each of the parties' attorneys. No Class Member may exclude himself, herself or itself from the Class after that date. In order to be valid, each request for exclusion must: (a) set forth the name and address of the Class Member requesting exclusion (the "Opt-Out"); (b) state that such Class Member "requests exclusion from the Class in *Dugan, et al. v. London Terrace*, Index No.: 0652724/2013; (c) be signed by such Class Member; and (d) include the addresses of all of such Class Member's leased Unit(s). Requests for exclusion will not be accepted if they do not include the required information or if they are not made within the time stated above, unless they are otherwise accepted by the Court. If one co-tenant of a Unit is an Opt-Out, all co-tenants of that Unit shall likewise be deemed to be Opt-outs as to each Lease Term for which they were co-tenants.

41. Opt-Outs will not receive any payment and will not be entitled to receive any of the benefits he, she or it would otherwise have been entitled to pursuant to this Settlement. In any subsequent proceeding, Opt-Outs may make any claim or argument that could have been asserted in this action and Defendant may raise any defenses available to them; however, opt-outs shall be bound by the declarations set forth in paragraph 22 of the Settlement, except for the declarations set forth in paragraphs 22(c) and 22(d).

NOTICE

42. The Notice shall be provided to the Class by a mailing in substantially the form known as Exhibit E (Class Counsel shall provide a draft of Exhibit E to Defendant's counsel on or before January 20, 2024. Class Counsel and counsel for the Defendant will finalize the Exhibit subject to their mutual agreement) to all Class Members for whom an address or possible address is known. Defendant shall supply to the Claims Administrator, in a confidential manner, each Class Member's: (a) current or last known residential address; and (b) current or last known email

address. In the event that the Claims Administrator cannot locate an Eligible Class Member, the Claims Administrator shall notify the Defendant's attorney and the Defendant shall attempt to locate the Eligible Class Member by any legal method. The foregoing information shall be destroyed by the Claims Administrator after all of its duties under this Stipulation are fulfilled. Class Counsel shall, at least ten (10) business days before the Settlement Hearing, file with the Court an appropriate affidavit with respect to the preparation, mailing and publication of the Notice.

CONDITIONS OF SETTLEMENT

43. Defendant denies and continues to deny that it has committed or aided and abetted the commission of any unlawful or wrongful acts alleged in the Action, and expressly maintains that it diligently and scrupulously complied with the RSL, RSC and all other legal obligations. Defendant is entering into the Settlement solely because the proposed Settlement will eliminate the uncertainties, burden and expense of further litigation.

44. Plaintiffs believe that the Settlement is fair, reasonable, adequate and in the best interests of the Class. Plaintiffs also took into consideration the strengths and weaknesses of the Class's claims and defenses and determined that the terms of the proposed Settlement are fair, reasonable and adequate, and in the best interest of the Class.

45. Within 15 business days of the execution of this agreement, the parties shall provide the following documentation:

(a) **From the Plaintiffs to Defendant**: all legal fee invoices and time records which support such invoices, from all Class Counsel related to all work performed for this action;

(b) **From the Defendant to the Plaintiffs**: the Berdon LLP calculation and analysis and a list of all apartments in the building which were: (i) regulated continuously between November 2005 and November 2010; and (ii) a listing of all apartments which are part of the Class.

46. Within thirty (30) days of the execution of this Agreement, Defendant shall review Class Counsel's legal fee invoices and time records for the work performed in this action at the office of Himmelstein McConnell. Defendant shall have a one (1) week window to spend up to five hours reviewing Class Counsel's legal fee invoices and time records for the work performed in this action in order to confirm that Class Counsel's legal fees and expenses meet or exceed the agreed upon payment of \$3,031,414.88.

47. Defendant shall provide the Berdon LLP calculation and analysis report to Class Counsel on or before January 15, 2024. Class Counsel shall have thirty (30) days to review the Berdon LLP calculation and analysis report. If Class Counsel does not dispute the Berdon LLP calculation and analysis within 30 days of receipt, then Class Counsel is deemed to have preliminarily accepted them. If Class Counsel disputes any individual calculation or analysis from Berdon LLP, then the parties will meet to discuss and resolve the dispute. If the parties cannot resolve the dispute, then the court shall resolve the dispute.

48. This Settlement is conditioned upon the fulfillment of each of the following:

- (a) The Court approving the Settlement and entry of the Order and Final Judgment, and such approval and Order and Final Judgment having been affirmed on appeal and/or no longer being subject to appeal;
- (b) The dismissal with prejudice of this Action without the award of any damages, costs, fees, or the grant of any further relief except as provided in this Stipulation;
- (c) the number of Eligible Class Members who opt-out of the Settlement do not exceed the limits set forth in paragraph 17 herein; and
- (d) The occurrence of the Effective Date without any material change (unless agreed to in writing by all parties) to the terms of the proposed Preliminary Approval Order, Order and Final Judgment and/or this Stipulation.

49. If any of the conditions in paragraph 48 above does not occur for any reason, then any party may terminate this Stipulation by giving ten (10) days written notice to the other parties, in which event: (a) the Stipulation and any related orders shall be null and void and of no further force or effect; (b) the parties shall revert and be restored to the positions they were in immediately prior to execution of the Stipulation; (c) no statements, agreements or acknowledgements (whether written or oral) made or exchanged in connection with the Stipulation or Settlement shall be deemed an admission or concession by any party and shall not be admissible for any purpose; (d) neither the Stipulation nor the Settlement shall be introduced as evidence or referred to in any action or proceeding other than an action or proceeding to enforce the terms thereof; and (e) all funds will be returned to Defendant, with any interest earned on those funds, in proportion to their contribution after payment of any Notice Costs and Administration Costs, within thirty (30) days of the giving of the termination notice.

BEST EFFORTS

50. Plaintiffs and Defendant agree to cooperate fully with one another in seeking the Court's approval of this Stipulation and Settlement, and to use their best efforts to effect, take, or cause to be taken all actions, and to do, or cause to be done, all things reasonably necessary, proper, or advisable under applicable laws, regulations, and agreements to consummate and make effective, as promptly as practicable, this Stipulation and the Settlement provided for hereunder (including, but not limited to, using their best efforts to resolve any objections raised to the Stipulation and/or Settlement) and the dismissal of the Action with prejudice and without costs, fees or expenses to any party except as otherwise provided for in this Stipulation.

51. Without further order of the Court, Class Counsel and Defendant may agree in writing to reasonable extensions of time not expressly set forth by the Court in order to carry out

any provisions of this Stipulation, a copy of which shall promptly be filed with the Court.

STAY OF PROCEEDINGS

52. Until the Effective Date, Class Counsel and Defendant agree to stay this proceeding.

53. The Preliminary Approval Order shall provide that pending final determination of whether the Settlement should be approved, Class Members are barred and enjoined from commencing, prosecuting, instigating or in any way participating in the commencement or prosecution of any action asserting any claims asserted in this Action, either directly, representatively, derivatively, or in any other capacity, against Defendant or any of the parties released in this Stipulation.

54. Pending the entry of the Preliminary Approval Order and the Effective Date, Defendant is not stayed from taking any actions relating to the leasing or management of the Buildings or enforcement of the terms of leases for Units including, but not limited to, increasing rents for renewal leases, or new vacancy leases, in a manner not inconsistent with the terms of this Stipulation or the current leases in effect. Following the Order and Final Judgment Date, Defendant may increase rents for any Class Member who has an existing lease up to the amount of Current Legal Rent for such Class Member. Nothing in this provision restricts the ability of defendant to seek relief from the court against an individual class member with respect to non-payment of rent on notice to that class member and class counsel.

REPRESENTATIONS AND WARRANTIES

55. Defendant represents and warrants that it is the owner of the Buildings.

56. Defendant represents and warrants that it has full authority to enter into this Stipulation and has authorized its counsel to do so.

57. All Class Members who seek reimbursement for Past Rent Claims and payment shall in their Claim Forms represent and warrant that they are entitled to such reimbursement and have not assigned, pledged, transferred, or lost through bankruptcy, divorce proceeding or any other operation of law the right to the full reimbursement sought.

STIPULATION NOT AN ADMISSION

58. The provisions contained in this Stipulation shall not be deemed a presumption, concession, or an admission by Defendant of any fault, liability, or wrongdoing as to any facts or claims alleged or asserted in the Action, or any other action or proceeding, and shall not be interpreted, construed, deemed, invoked, offered, or received in evidence or otherwise used by any person in the Action, or in any other action or proceeding, whether civil, criminal, or administrative, except for any litigation or judicial proceeding arising out of or relating to the enforcement of this Stipulation or the Settlement.

MISTAKE

59. Except as otherwise set forth herein, in entering into the Settlement, Plaintiffs, the Class, and Defendants assume the risk of any mistake of fact or law, and if any of them should later discover that any fact they relied upon in entering into the Settlement is not true, or that their understanding of the facts or law was incorrect, in such event such party shall not be entitled to seek rescission of the Settlement, or otherwise attack the validity of the Settlement, based on any such mistake. Except as otherwise set forth herein, the Settlement is intended to be final and binding upon the parties regardless of unilateral mistake of fact or law. In the event of a mutual mistake of fact, either party may make an application to the court for it to determine whether relief is warranted and an appropriate remedy.

RETENTION OF JURISDICTION

60. The Court shall retain jurisdiction for purpose of entering orders to: (a) effectuate the implementation of the Settlement; (b) enforce the terms of this Stipulation including, but not limited to, the releases provided herein; (c) hear all claims, defenses and counterclaims relating to the interpretation and enforcement of this Stipulation before and after the Effective Date as the Court deems appropriate; (d) review all challenges to final administrative determinations brought by Opt-Outs; and (e) determine all other matters relevant to this Stipulation, including, but not limited to the resolution of any dispute concerning the amount due to a Class Member or Defendant.

ENTIRE AGREEMENT

61. This Stipulation and the Exhibits, constitute the entire agreement between the parties hereto concerning the subject matter hereof, and all understandings and agreements heretofore or simultaneously had between the parties are merged in and are contained in the Stipulation and the Exhibits. Each of the parties warrants and represents to the others that it has not relied upon any representations or warranties, express or implied, in entering into this Stipulation except those which are expressly set forth in this Stipulation and the Exhibits. This Stipulation may not be changed or modified absent a writing executed by counsel for the parties and approved by the court or an order of the Court.

COUNTERPARTS

62. This Stipulation may be executed in multiple counterparts by any of the signatories hereto, including by facsimile or by e-mail, and as so executed shall constitute one agreement.

GOVERNING LAW

63. This Stipulation and the Settlement contemplated by it shall be governed by, and

construed in accordance with, the laws of the State of New York, without regard to New York's conflict of law rules.

64. Class Counsel and Defendant agree that the Settlement Fund (the "Fund") is intended to be a "Qualified Settlement Fund" within the meaning of Treasury Regulation § 1.468B-1 and that the Escrow Agent, as administrators of that Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be responsible for timely preparing and filing tax returns and related documents for the Fund and paying from the Fund any Taxes owed with respect to interest earned on the Fund. Class Counsel and Defendant agree that the Fund shall be treated as a Qualified Settlement Fund from the earliest date possible, and agree to any relation-back election required to treat the Fund as a Qualified Settlement Fund from the earliest date possible. Defendant, as "transferor" as defined in Treasury Regulation § 1.468B-1(d)(1), of the amounts specified in paragraph 12 above, agrees to provide promptly to the Claims Administrator, as administrator of the Fund, the statement described in Treasury Regulation § 1.468B-3(e).

NOTICES

65. Unless otherwise set forth in this Stipulation, any notice permitted or required to be given under this Stipulation from one party to another shall be given in writing by (a) personal delivery, or (b) a nationally recognized overnight courier (and in each case also by electronic mail), sent to the intended addressee(s) at the addresses set forth below, or to such other address(es) or to the attention of such other person(s) as the addressee(s) shall have designated by written notice sent in accordance herewith, and shall be deemed to have been given upon receipt or refusal to accept delivery. The addresses for giving notice from one party to another pursuant to this Stipulation shall be as follows:

If to Class:

HIMMELSTEIN MCCONNELL GRIBBEN &
JOSEPH LLP
15 Maiden Lane - 17th Floor
New York, NY 10038
Attention: Ronald Languedoc

EMERY CELLI BRINCKERHOFF ABADY
WARD & MAAZEL LLP
600 Fifth Avenue, 10th Floor
New York, NY 10020
Attention: Matthew D. Brinckerhoff

BERNSTEIN LIEBHARD LLP
10 East 40th Street
New York, New York 10016
Attention: Joseph R. Seidman, Jr.

If to Defendant:

BORAH GOLDSTEIN ALTSCHULER
NAHINS & GOIDEL, P.C.
377 Broadway
New York, N.Y. 10013
Attention: Robert Goldstein

HEADINGS

66. The headings in this Stipulation are used for the purpose of convenience only and are not meant to have legal effect.

SEVERABILITY

67. Unless otherwise set forth in this Stipulation, if any provision of this Stipulation is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Stipulation shall nonetheless remain in full force and effect; provided that the invalidity or unenforceability of such provision does not materially adversely affect the benefits accruing to any other party hereunder.

THIRD-PARTY BENEFICIARIES

68. There are no third-party beneficiaries under this Stipulation.

EFFECT OF WAIVER OF BREACH

69. The waiver by one party of any breach of this Stipulation by any other party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation. Unless otherwise stated in this Stipulation, any breach of any provision of this Stipulation by any party to this Stipulation shall not constitute grounds for rescission of this Stipulation, but shall constitute grounds only for a claim for specific performance for breach of this Stipulation.

SUCCESSORS AND ASSIGNS

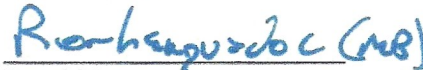
70. This Stipulation, and all rights and powers granted hereby, shall be binding upon and inure to the benefit of Defendant and Plaintiffs and their respective agents, executors, heirs, successors, affiliates and assigns. All rights and obligations of Defendant shall be binding on and inure to the benefit of any subsequent owners of the Buildings.

SAVINGS CLAUSE

71. If, following the execution of this Settlement Agreement, New York State, or an agency thereof, enacts any legislation or regulation that modifies the terms or interpretation of the Rent Stabilization Law or Rent Stabilization Code, or any other law, code, or regulation that would affect the rights of defendant or the remedies available to Class Members who remains in possession of Units at the Building, the terms of this Settlement Agreement shall, nonetheless, remain in full force and effect with respect to the Class Members and Defendant.

Dated: New York, New York
December 29, 2023

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JOSEPH LLP**



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William Gribben
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New York, NY 10020
Tel: (212) 763-5000

BERNSTEIN LIEBHARD LLP



Stanley D. Bernstein
Joseph R. Seidman, Jr.
10 East 40th Street
New York, New York 10016
Tel: (212) 779-1414

Class Counsel for the Settlement Class

**BORAH GOLDSTEIN ALTSCHULER
NAHINS & GOIDEL, P.C.**



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L.P.*