

PARK PARTNERS

320 EAST 82 ST | NEW YORK | NY

May 29, 2018

Dear Partner,

Please find the below highlights of our development at 320 East 82 Street, New York.

1. We finally received our Temporary Certificate of Occupancy ("TCO") from the New York City Department of Buildings ("NYC DOB").
2. We recently switched brokers; our new brokers are Lauren Muss from Douglas Elliman and Daniella Schlisser from Brown Harris Stevens. Both are top brokers in New York City and are very enthusiastic about the project. Even though they are from two different firms, they will work together cooperatively. I have included their backgrounds as an attachment to this letter.

Lauren and Daniella have a series of events planned to showcase our finished building to the public and brokerage community. We will make sure to invite you to these events, and if possible, I encourage you to attend these events so you can see firsthand the finished project.

3. The market is still very challenging. The combination of the non-deductibility of State and Local Taxes and the abundance of new and existing product in the marketplace has forced us to create new strategies to keep the salability of our units relevant to buyers. In addition, the cap on the interest deductibility on primary residences has caused a damper on purchases.

In order to create interest and hopefully sales, we have dropped our prices with the thought that if successful, we will slowly raise prices in order to recoup the lost margin on the units with the lower prices.

Our neighborhood keeps improving and multifamily buildings across the street from ours have almost all been converted into single-family townhouses.

My hope is to report back to you soon on new units that will be in contract. Clearly none of the current climate was in the air in 2015 (when we made our investment), and we will have to navigate through this environment in order to return capital.

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In addition to the above, we hope to get your K1 out to you within this next week.

If you should have any questions, please do not hesitate to reach me.

A handwritten signature in black ink, appearing to read 'DM', with a large loop on the left and a tail extending to the right.

David J. Mitchell

