

11 July 2016

The Manager
Company Announcements
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

RNY Property Trust (ASX:RNY) Debt Update

RNY Australia Management Limited (RAML) as responsible entity of RNY Property Trust (the Trust) reported that on 8 July 2016 the US LLC completed a modification agreement with the lender of its US\$36 million mezzanine loan (the “Mezz Loan”), to restructure such debt. The Mezz Loan was issued in April 2012, matures in May 2017 and is collateralized by indirect ownership interests in nine properties owned by the US LLC (the “Loan Portfolio”).

Material terms of the modification agreement include, but are not limited to:

- The lender has agreed to waive certain loan provisions, including the debt service coverage ratio (the “DSCR”) and the requirement that the US LLC post a letter of credit to cure any DSCR violations, as well as agreeing that monthly mezzanine interest shortfalls will be added to the outstanding principal balance,
- The US LLC will be required to meet certain leasing and asset sale parameters,
- The lender’s profit participation interest, in the proceeds from a sale of the Loan Portfolio (after various capital amounts are returned to the US LLC), has been increased to 25%, and
- If the US LLC fails to meet the leasing and asset sale parameters set out in the modification agreement they have agreed to deliver a ‘deed-in-lieu of foreclosure’ to the lender, effectively transferring ownership of the Loan Portfolio and forfeiting any equity value in the Loan Portfolio.

The Trust is managed by RAML, an Australian licensed responsible entity which is an affiliate of RXR Realty. Other affiliates of RXR serve as property manager, leasing agent, asset manager, and construction manager and provide other services to the properties in the Trust portfolio. RXR is one of the New York Tri-State area’s leading real estate companies, specializing in the acquisition, leasing, financing, property and asset management, design and development, and construction of commercial properties.

Certain statements herein relate to the Trust's future performance ("forward looking statements"). Although RAML believes such statements are based on reasonable assumptions, forward-looking statements are not guarantees of results and no assurance can be given that the expected results will be delivered. Such forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those expected. Among those risks, trends and uncertainties are the general economic climate, including the conditions affecting industries in which principal tenants compete; financial condition of tenants; changes in the supply of and demand for office properties in the New York

Tri-State area; changes in interest rate levels and changes in credit ratings and changes in the cost of and access to capital.

For further information:

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