

3 September 2018

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

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**RNY Property Trust (ASX: RNY) – Executed loan modification deed, lease extension and prospective capital raise**

Huntley Management Limited (Huntley) as responsible entity for RNY Property Trust (RNY) is pleased to announce that RNY's investment manager, Aurora Funds Management Limited (Aurora), has successfully executed a loan modification deed with RNY's US lender, ACORE Capital (Lender), curing the existing loan default over the portfolio of property assets and facilitating a viable future for the portfolio of five (5) office properties in the New York Tri-State area.

The key terms of the loan modification include:

- RNY Australia Operating Company (US LLC), which is effectively 75% owned by RNY, has paid down the existing loan by USD\$7.4 million using USD\$4.7 million of existing cash reserves from its related entities, with the balance provided by way of short-term loan from Aurora;
- A further USD\$1.25 million is required to be paid down on 15 November 2018;
- A further USD\$1.5 million is required to replenish Lender reserve accounts, short term funding and costs associated with the default and modification;
- In exchange for these loan paydowns and replenishment of the Lender reserve accounts, the Lender has agreed to waive USD\$4.4 million in accrued default interest contingent on there being no further default;
- The interest rate margin remains unchanged;
- The Lender has also provided a facility of USD\$16.6 million to fund the capex and leasing costs associated with RNY's proposed turnaround strategy;
- As a requirement of the loan modification, the Lender required Aurora to acquire the 25% minority interest held by RXR in the US LLC, which has now been completed.

**Material Leasing Activity:**

RNY is pleased to advise that a major long standing tenant has renewed 91,027 square feet (representing 11% of the total property portfolio) for 10 years and 8 months on terms that represent a 31% base rental improvement on the expiring lease.

RNY Capital Raise:

It is anticipated that RNY will need to complete a capital raise to fund the remaining obligations under the loan, to repay short term funding provided by Aurora and to support working capital requirements going forward. Huntley will keep the market informed of developments in this regard.

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For further information:

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