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From: [REDACTED]
Sent: Thur 9/10/2009 10:30:18 PM
Subject: From Anthony

Hi jeffrey,
Just wanted to update you as to how things are going:

Spring St

Decided not to go ahead with the hotel beginning of 2008 and tried to sell the building. I had a contract with the Quatar Investment Authority (they were going to build a hotel) for \$65M. This was in Sep 08. All fell apart after that.(were about two months too late) - The building is 30% vacant and I am in the process of rerenting. Market is extremely bad and this will take some time even at the low rents. I am seeing no new demand. A few exisitng tenants are jumping around but otherwise no one new is coming to the market. The debt comes due Sep next year (\$2.8M) Should not have any problem to refinance. ...

Van Dam

I also had a lease signed for 50% of the building to a new private high school. Their financing fell apart end of last year. We had \$250K deposit that we kept. They did not even move in . Two floors are still available.

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I try to keep everything rented. It has been very slow on getting back stabilized tenants. (last year only 1 apartment) Rents are down about 20% and everyday is a negotiation to keep a tenant. We are getting killed on the real estate taxes. Getting huge increases last two years. (10% each year) - Taxes on the apartments alone are \$1.5M/ yr. I don't see this ending. Some of the individual owners are trying to sell units, many offers but financing in the building is impossible as we don't meet the FHA and Fannie guidelines as we have only 22% sold. We used to have local banks who would do portfolio lending approve the abuilding and this was never an issue. Not sure how to get around this.-- Any ideas?

Retail

Restaurant is still going well (nearly 19 years). Jennifer Convertables defaulted and I worked a deal with them to stay in the space on a month to month deal. Reatil demand has been non existant and rents are down 30-40%.

Both of these mortgages are not due till 2011.

I have not seen Mark for a while but his kids are around the building alot and seem to be doing fine. They both started school this week. His daughter is a real character.. Very smart, stubborn, independent type.

Everyone in the family is well. Time really flies with Gabriella now 13 years old already. This year we are home schooling again. I was not impressed with the private school last year and feel it is much better value to hire teachers and do it ourselves. The kids love it and seem to be learning a lot. Next yr Gabriella goes to high school so this will be the last year we can do this.

Nicky and her family are in Park City and love it out there. We go visit once in a while .

Jonathan is still with his hedge fund. They have been doing really well, although the last year was tough .. He had a baby boy (Charlie) and Paul is still with JP Morgan. He moved more to the private client side and is covering some big investors there. He seems to be having a great time..

Let me know when I can come down to visit, I will be in Miami in November for a wedding.

Regards

Anthony

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