MNP

MERCHANTS' NATIONAL PROPERTIES, INC.
10 Grand Central, 155 East 44th Street, New York, NY 10017

ISSUER INFORMATION

Title and class of security:	Common Shares ($1 par value)
Transfer Agent:	Merchants' National Properties, Inc. 10 Grand Central 155 East 44th Street New York, NY 10017
President and Chief Executive Officer:	Craig M. Deitelzweig (Director)
Board of Directors:	James M. Better (Chairman) Leonard S. Gruenberg Mark Magowan James Magowan Mathew Maguire Richard Schosberg James Stern John Usdan
Issuer's telephone number:	(212) 557-1400

Number of shares outstanding of common stock as of November 12, 2021: 91,737

FINANCIAL INFORMATION

The information furnished in the accompanying consolidated balance sheets and related consolidated statements of operations, changes in stockholders' equity and cash flows reflect all adjustments, consisting solely of normal and recurring adjustments that are, in management's opinion, necessary for a fair and consistent presentation of the aforementioned consolidated financial statements.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this letter and the attached Report of Merchants' National Properties, Inc., and Subsidiaries ("MNP") may be considered forward-looking statements. Additionally, MNP or the executive officers on MNP's behalf, may from time to time make forward-looking statements in reports and other documents or in connection with written or oral statements made to the press, potential investors, or others.

Forward-looking statements can generally be identified by our use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "continue," "anticipate" or other similar words. However, the absence of these or similar words or expressions do not mean that a statement is not forward-looking. Forward-looking statements are not guarantees of performance and are based on certain assumptions. Forward-looking statements may include the discussion of future expectations or description of plans and strategies and may contain projections of results of operations or of financial condition or other forward-looking information. Expected future net income (loss) depends on many factors including among others expected uses of cash generated from operations; expected sources and adequacy of capital resources and liquidity. Any deviation from these assumptions may lead to fluctuations in future net income (loss).

Any such forward-looking statements are based on a number of assumptions involving judgments and are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from our historical experience and our present expectations. Accordingly, readers are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date of this report. MNP makes no representations or warranties (express or implied) about the accuracy of any such forward-looking statements contained in this report, and MNP does not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

MNP

MERCHANTS' NATIONAL PROPERTIES, INC.
10 Grand Central, 155 East 44th Street, New York, NY 10017

November 12, 2021

To our Stockholders:

Attached are the Merchants' National Properties, Inc. ("MNP" or the "Company") unaudited consolidated financial statements for the three and nine months ended September 30, 2021 and 2020. These statements have been filed with the OTC Market.

Financial Highlights:

For the nine months ended September 30, 2021, the Company reported grossed-up rental and other income of $37.7 million, as compared to $37.2 million for the nine months ended September 30, 2020. Similarly, for the nine months ended September 30, 2021, the Company reported grossed-up operating income of $18.1 million, as compared to $17.2 million for the nine months ended September 30, 2020 and grossed-up earnings before interest, taxes, depreciation and amortization ("EBITDA") of $34.7 million for the nine months ended September 30, 2021, as compared to $20 million for the nine months ended September 30, 2020. Finally, for the nine months ended September 30, 2021, the Company reported grossed-up net income of $16.3 million, as compared to a net income of $4.5 million for the nine months ended September 30, 2020.

Effective January 1, 2019, the Company adopted Accounting Standards Update ("ASU") No. 2016-01 ("ASU 2016-01") "Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurements of Financial Assets and Financial Liabilities", which requires unrealized gains and losses of marketable securities to be included in net income. This standard, combined with COVID-19 fueled volatility in the stock market, has driven substantial swings in earnings during the reporting periods. As a result of the noise introduced by these new accounting standards, we believe the most useful metric for assessing our performance is "Operating Income As Grossed Up".

The table on the following page provides a side-by-side comparison of MNP's September 30, 2021 vs. September 30, 2020 consolidated statements of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP") and "As Grossed-Up", a non-GAAP measure, which provides more transparency to MNP's share of the underlying assets revenues and expenses which flow up to MNP from the various real estate investments.

INCOME STATEMENT OVERVIEW
GAAP vs. Underlying Property Performance

	Nine Months Ended September 30, 2021		Nine Months Ended September 30, 2020		
	As Unaudited	**As Grossed-Up**	**As Unaudited**	**As Grossed-Up**	
Rental and other income	$ 10,739,386	$ 37,681,148	$ 10,828,840	$ 37,258,047	(A)
Equity in earnings of real estate ventures	9,967,597	-	3,881,166	-	(B)
Operating expenses	(7,987,438)	(19,609,396)	(8,014,423)	(20,056,142)	(A)
Operating income	**12,719,545**	**18,071,752**	**6,695,583**	**17,201,905**	
Investment income	768,883	1,039,713	832,013	935,101	
Non-recurring gains	2,179,123	7,781,423	-	-	(B)
Unrealized gain on marketable securities	7,297,777	7,297,777	2,642,333	2,642,334	(C)
Unrealized gain (loss) on swap contracts	614,560	550,178	(779,681)	(779,681)	(D)
EBITDA	**23,579,888**	**34,740,843**	**9,390,248**	**19,999,659**	
Financing expense	(976,421)	(5,139,229)	(2,023,717)	(5,800,580)	
Depreciation and amortization expense	(1,106,977)	(7,596,119)	(1,571,013)	(8,157,915)	
Income taxes	(2,006,565)	(2,515,570)	(2,193,873)	(2,439,518)	
Income taxes - deferred	(3,185,036)	(3,185,036)	894,694	894,694	
Net income	**16,304,889**	**16,304,889**	**4,496,340**	**4,496,340**	
Noncontrolling interests in loss (income) of consolidated subsidiaries	(263,118)	(263,118)	15,692	15,692	
Net income attributable to Merchants' National Properties, Inc.	**$16,041,771**	**$ 16,041,771**	**$ 4,512,032**	**$ 4,512,032**	

What follows is a description of some of the factors, which impacted reportable GAAP net income for the nine months ended September 30, 2021 and 2020.

(A) As a result of the de-consolidation of Herald from the Company's consolidated financial statements effective February 2021, the current year income statement no longer includes revenues and operating expenses related to Herald. The prior year income statement included 100% of Herald's revenues and operating expenses.

(B) In 2021, equity in earnings of real estate ventures and non-recurring gains include a $5.5 million gain on sale of the Miami Beach property.

(C) The adoption of ASU 2016-01 has resulted in increasing reportable GAAP income before taxes by $7.3 million for the nine months ended September 30, 2021. For the nine months ended September 30, 2020, this change resulted in increasing reportable GAAP income before taxes by $2.6 million, a net year-over-year increase in income before taxes of $9.9 million.

(D) In accordance with GAAP, the Company recognizes derivatives as either assets or liabilities in the consolidated balance sheets and measures those instruments at fair value. Changes in fair value will affect either accumulated other comprehensive income or loss, which is a component of equity, if the derivative qualifies as a hedge and is effective, or net income or loss, if the derivative does not qualify as a hedge or if the hedge is ineffective. For the nine months ended September 30, 2021 this change in fair value has resulted in increasing reportable GAAP income before taxes by $550,178. For the nine months ended September 30, 2020 this change in fair value has resulted in reducing reportable GAAP income before taxes by $779,681.

The Company paid $20 per share in dividends in both the Spring of 2021 and the Spring of 2020.

For the nine months ended September 30, 2021, the stockholders' equity increased by $14.2 million with a corresponding increase in book value per share to $2,261 at September 30, 2021 from $2,108 at December 31, 2020 and $2,086 at September 30, 2020.

During the year ended December 31, 2020, MNP purchased 559 shares of common stock at an average price of $1,675 per share directly from various stockholders. No shares were purchased during the nine months ended September 30, 2021. As of September 30, 2021, 91,737 shares of common stock were outstanding.

Respectfully submitted,

Craig M. Deitelzweig
President and Chief Executive Officer

James M. Better
Chairman

MERCHANTS’ NATIONAL PROPERTIES, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

MERCHANTS' NATIONAL PROPERTIES, INC., AND SUBSIDIARIES

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MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

		September 30, 2021 (unaudited)		December 31, 2020 (audited)
ASSETS				
Rental properties, net	$	56,941,408	$	100,651,592
Marketable securities		64,997,052		57,764,270
Investments in real estate ventures		120,786,608		109,293,139
Intangible asset available for sale		749,986		749,986
Cash and cash equivalents		20,253,431		23,564,429
Restricted cash		747,057		1,519,570
Receivables:				
Loans, real estate ventures		1,781,250		1,725,000
Affiliated real estate ventures		85		924,754
Employees		1,398,772		1,935,238
Related parties		2,752,998		1,905,533
Tax refund		772,755		1,584,686
Deferred rent		2,147,848		1,961,020
Other		633,260		780,492
Tenant security deposits in escrow		478,285		435,566
Prepaid expenses and other assets		2,153,239		2,071,621
Prepaid income taxes		1,073,345		2,576,560
Deferred tax assets		2,735,831		3,061,423
Total assets	**$**	**280,403,210**	**$**	**312,504,879**
LIABILITIES AND STOCKHOLDERS' EQUITY				
Liabilities				
Accounts payable and accrued expenses	$	2,287,172	$	2,538,237
Income taxes payable		401,813		92,854
Security deposits		591,595		548,651
Interest rate swap liabilities		699,115		1,313,675
Loan payable, Paycheck Protection Program		-		578,297
Mortgages payable, less unamortized debt issuance costs of $362,524 and $1,502,361 in 2021 and 2020, respectively		28,590,295		54,792,500
Line of credit		-		21,500,000
Deferred tax liabilities		31,194,504		28,335,060
Total liabilities		**63,764,494**		**109,699,274**
Stockholders' Equity				
Common stock, $1 par value; 187,000 shares authorized, 105,199 shares issued (shares outstanding, 91,737 and 91,637 in 2021 and 2020, respectively)		105,199		105,199
Additional paid-in capital		1,146,317		1,146,317
Retained earnings		221,532,231		207,325,200
Unearned compensation (100 and 0 shares in 2021 and 2020, respectively)		(104,500)		-
Treasury stock, at cost (13,462 and 13,562 shares in 2021 and 2020, respectively)		(15,291,375)		(15,395,875)
Total stockholders' equity		**207,387,872**		**193,180,841**
Noncontrolling interests		9,250,844		9,624,764
		216,638,716		**202,805,605**
Total liabilities and stockholders' equity	**$**	**280,403,210**	**$**	**312,504,879**

See notes to consolidated financial statements.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended September 30, 2021 (unaudited)	Three Months Ended September 30, 2020 (unaudited)	Nine Months Ended September 30, 2021 (unaudited)	Nine Months Ended September 30, 2020 (unaudited)
Revenues				
Rental revenues	$ 1,422,301	$ 2,297,567	$ 4,352,777	$ 5,474,447
Management fees	643,291	569,457	1,776,210	1,667,433
Leasing commissions	378,441	391,229	786,292	950,859
Asset acquisition/disposition fees	307,000	-	307,000	-
Development and buildout fees	56,166	217,195	639,792	592,568
Other revenues	1,347,540	644,964	2,877,315	2,143,533
Total revenues	**4,154,739**	**4,120,412**	**10,739,386**	**10,828,840**
Operating Expenses				
Real estate taxes	297,287	399,231	894,211	1,171,356
Depreciation and amortization	445,379	572,914	1,106,977	1,571,013
Other operating expenses	120,667	429,871	399,162	861,417
Financing expenses	304,494	841,241	976,421	2,023,717
Total operating expenses	**1,167,827**	**2,243,257**	**3,376,771**	**5,627,503**
Net revenues from rentals and other income	**2,986,912**	**1,877,155**	**7,362,615**	**5,201,337**
Equity in earnings from real estate ventures, net	7,210,750	2,065,046	9,967,597	3,881,166
Investment income	251,165	254,269	768,883	832,013
Unrealized gain (loss) on marketable securities	(587,115)	5,472,321	7,297,777	2,642,333
Gain on sale of marketable securities	101	-	2,179,123	-
Unrealized (loss) gain on interest rate swap	92,645	42,094	614,560	(779,681)
Net income before general and administrative expenses and other costs and income tax expense	**9,954,458**	**9,710,885**	**28,190,555**	**11,777,168**
General and administrative expenses and other costs				
Professional fees	220,426	73,062	352,541	358,422
Salaries and other general expenses	2,071,580	1,855,764	6,341,524	5,623,227
Total general and administrative expenses and other costs	**2,292,006**	**1,928,826**	**6,694,065**	**5,981,649**
Net income before income tax expense	**7,662,452**	**7,782,059**	**21,496,490**	**5,795,519**
Income tax expense	1,569,194	1,422,474	5,191,601	1,299,179
Net income	**6,093,258**	**6,359,585**	**16,304,889**	**4,496,340**
Noncontrolling interests in income (loss) of consolidated subsidiaries	(26,221)	(54,030)	(263,118)	15,692
Net income attributable to Merchants' National Properties, Inc.	**$ 6,067,037**	**$ 6,305,555**	**$ 16,041,771**	**$ 4,512,032**
Basic and diluted earnings per share	$ 66.16	$ 68.63	$ 174.93	$ 49.11
Weighted average number of common shares outstanding				
Basic and diluted	91,704	91,878	91,704	91,878

See notes to consolidated financial statements.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
THREE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

	Common Stock		Additional Paid-In	Retained	Unearned	Treasury Stock		Non-Controlling	Total
	Shares	Amount	Capital	Earnings	Compensation	Shares	Amount	Interests	Equity
Balance, June 30, 2021 (unaudited)	**105,199**	**$ 105,199**	**$ 1,146,317**	**$ 215,465,194**	**$ (104,500)**	**13,462**	**$ (15,291,375)**	**$ 9,299,731**	**$ 210,620,566**
Net income	-	-	-	6,067,037	-	-	-	26,221	6,093,258
Capital distributions	-	-	-	-	-	-	-	(75,108)	(75,108)
Balance, September 30, 2021 (unaudited)	**105,199**	**$ 105,199**	**$ 1,146,317**	**$ 221,532,231**	**$ (104,500)**	**13,462**	**$ (15,291,375)**	**$ 9,250,844**	**$ 216,638,716**
Balance, June 30, 2020 (unaudited)	**105,199**	**$ 105,199**	**$ 1,146,317**	**$ 199,028,024**	**$ -**	**13,561**	**$ (15,394,227)**	**$ 9,516,375**	**$ 194,401,688**
Acquisition of treasury stock	-	-	-	-	-	1	(1,648)	-	(1,648)
Net income	-	-	-	6,305,555	-	-	-	54,030	6,359,585
Capital distributions	-	-	-	-	-	-	-	(50,982)	(50,982)
Balance, September 30, 2020 (unaudited)	**105,199**	**$ 105,199**	**$ 1,146,317**	**$ 205,333,579**	**$ -**	**13,562**	**$ (15,395,875)**	**$ 9,519,423**	**$ 200,708,643**

See notes to consolidated financial statements.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

	Common Stock															
	Shares		Amount		Additional Paid-In Capital		Retained Earnings		Unearned Compensation	Treasury Stock Shares		Treasury Stock Amount		Non-Controlling Interests		Total Equity
Balance, December 31, 2020 (audited)	**105,199**	**$**	**105,199**	**$**	**1,146,317**	**$**	**207,325,200**	**$**	**-**	**13,562**	**$**	**(15,395,875)**	**$**	**9,624,764**	**$**	**202,805,605**
Share based compensation	-		-		-		-		(104,500)	(100)		104,500				-
Net income	-		-		-		16,041,771		-	-		-		263,118		16,304,889
De-consolidation of Herald	-		-		-		-		-	-		-		(884,368)		(884,368)
Dividends paid	-		-		-		(1,834,740)		-	-		-		-		(1,834,740)
Capital contributions	-		-		-		-		-	-		-		322,438		322,438
Capital distributions	-		-		-		-		-	-		-		(75,108)		(75,108)
Balance, September 30, 2021 (unaudited)	**105,199**	**$**	**105,199**	**$**	**1,146,317**	**$**	**221,532,231**	**$**	**(104,500)**	**13,462**	**$**	**(15,291,375)**	**$**	**9,250,844**	**$**	**216,638,716**
Balance, December 31, 2019 (audited)	**105,199**	**$**	**105,199**	**$**	**1,146,317**	**$**	**202,654,307**	**$**	**-**	**13,003**	**$**	**(14,459,577)**	**$**	**6,889,101**	**$**	**196,335,347**
Acquisition of treasury stock	-		-		-		-		-	559		(936,298)		-		(936,298)
Net income (loss)	-		-		-		4,512,032		-	-		-		(15,692)		4,496,340
Athens & Bell Blvd investments	-		-		-		-		-	-		-		1,614,163		1,614,163
Dividends paid	-		-		-		(1,832,760)		-	-		-		-		(1,832,760)
Capital contributions	-		-		-		-		-	-		-		1,082,833		1,082,833
Capital distributions	-		-		-		-		-	-		-		(50,982)		(50,982)
Balance, September 30, 2020 (unaudited)	**105,199**	**$**	**105,199**	**$**	**1,146,317**	**$**	**205,333,579**	**$**	**-**	**13,562**	**$**	**(15,395,875)**	**$**	**9,519,423**	**$**	**200,708,643**

See notes to consolidated financial statements.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30, 2021 (unaudited)	Nine Months Ended September 30, 2020 (unaudited)
Cash flows from operating activities		
Net income	$ 16,304,889	$ 4,496,340
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	924,400	1,238,610
Amortiztion of deferred leasing costs	182,577	166,202
Amortization of debt issuance costs included in financing expenses	71,975	301,676
Provision for deferred taxes	3,185,036	(887,210)
Accrued interest on loans receivable, real estate ventures	(56,250)	(56,250)
Equity in earnings of investments in real estate ventures, net	(9,967,597)	(3,881,166)
Unrealized gain on swap agreement	(614,560)	-
Realized gain on marketable securities	(2,179,123)	-
Unrealized gain on marketable securities	(7,297,777)	(2,642,333)
Forgiveness of loan payable, Paycheck Protection Program	(578,297)	-
Changes in assets and liabilities		
Receivables - affiliated real estate ventures	924,669	954,905
Receivables - employees	536,466	(1,044,270)
Receivables - related parties	(847,465)	(950,596)
Receivables - tax refund	811,931	(1,570,035)
Receivables - deferred rent	(186,828)	(451,730)
Receivables - other	222,536	(178,133)
Prepaid expenses and other assets	(292,230)	(479,485)
Prepaid income taxes	1,503,215	1,655,188
Accounts payable and accrued expenses	2,488,518	4,488,053
Income taxes payable	308,959	-
Security deposits	42,944	68,519
Net cash provided by operating activities	**5,487,988**	**1,228,285**
Cash flows from investing activities		
Contributions to investments in real estate ventures	(3,616,683)	(716,094)
Distributions from investments in real estate ventures	6,274,858	9,648,635
Purchase of rental properties	(2,512,081)	(44,033,361)
Net proceeds from sale of investment interest in real estate venture	11,796,313	-
Proceeds from sale of marketable securities	2,244,118	-
Loans receivable - real estate ventures	-	(56,250)
Net cash provided by (used in) investing activities	**14,186,525**	**(35,157,070)**
Cash flows from financing activities		
Purchase of treasury stock	-	(936,298)
Payment of dividends	(1,834,740)	(1,832,760)
(Payments of) proceeds from line of credit, net	(21,500,000)	20,000,000
Capital contributions from noncontrolling interests, net	247,330	1,031,851
Principal payments of mortgages payable	(514,182)	(240,635)
Proceeds from mortgage payable	-	25,687,000
Debt issuance costs	(113,713)	(1,575,436)
Net cash (used in) provided by financing activities	**(23,715,305)**	**42,133,722**
Net (decrease) increase in cash and cash equivalents, restricted cash and tenant security deposits in escrow	**(4,040,792)**	**8,204,937**
Cash and cash equivalents, restricted cash and tenant security deposits in escrow, beginning of period	25,519,565	17,944,869
Cash and cash equivalents, restricted cash and tenant security deposits in escrow, end of period	**$ 21,478,773**	**$ 26,149,806**

See notes to consolidated financial statements.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30, 2021 (unaudited)	Nine Months Ended September 30, 2020 (unaudited)
Reconciliation of cash and cash equivalents, restricted cash and tenant security deposits in escrow, beginning of period		
Cash and cash equivalents	$ 23,564,429	$ 17,041,064
Restricted cash	1,519,570	543,133
Tenant security deposits in escrow	435,566	360,672
Cash and cash equivalents, restricted cash and tenant security deposits in escrow, beginning of period	**$ 25,519,565**	**$ 17,944,869**
Reconciliation of cash and cash equivalents, restricted cash and tenant security deposits in escrow, end of period		
Cash and cash equivalents	$ 20,253,431	$ 23,621,183
Restricted cash	747,057	2,175,073
Tenant security deposits in escrow	478,285	353,550
Cash and cash equivalents, restricted cash and tenant security deposits in escrow, end of period	**$ 21,478,773**	**$ 26,149,806**
Supplemental cash flow disclosures		
Interest paid	$ 921,069	$ 1,763,262
Income taxes paid - net of refunds of $2,200 and $8,940, respectively	315,458	2,093,403
Supplemental non-cash investing and financing activities		
Reissuance of treasury stock	104,500	-
Reclassification of assets, liabilities, noncontrolling interests and equity due to consolidation of investment in joint venture		
Rental properties, net	-	14,935,616
Investments in real estate ventures	-	(8,369,101)
Loans receivable, real estate ventures	-	(450,000)
Receivables - other	-	(147,342)
Deferred tax assets and liabilites, net	-	147,342
Prepaid expenses and other assets	-	56,935
Accounts payable and accrued expenses	-	(42,996)
Accrued rent and lease deposits	-	(25,943)
Mortgage payable	-	(4,490,348)
Noncontrolling interests	-	(2,262,898)
Equity	-	648,735
Reclassification of assets, liabilities, noncontrolling interests and equity due to de-consolidation of investment in joint venture		
Rental properties, net	(45,297,865)	-
Investments in real estate ventures	4,184,047	-
Receivables - other	75,304	-
Prepaid expenses and other assets	(28,035)	-
Accounts payable and accrued expenses	2,739,583	-
Mortgage payable	25,646,285	-
Noncontrolling interests	884,368	-

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1 - ORGANIZATION

Merchants' National Properties, Inc. ("Merchants"), Guest Realty Company ("Guest"), Marx Realty & Improvement Co. Inc. ("Marx"), Maryland Stores Corporation ("Maryland"), Rier Realty Co., Inc. ("Rier"), East Putnam Ave.I, LLC ("Putnam"), The M&B Building Owners II, LLC ("Bethpage"), Brahmin Realty Associates, LLC ("Brahmin), Madison Syndicate ("Madison"), University Plaza Joint Venture LLC ("University"), Athens Joint Venture LLC ("Athens"), Bell Blvd. Partners ("Bell") and The Herald Owners, LLC ("Herald") own, manage, develop and lease various commercial real estate properties and invest in real estate ventures in the United States (collectively, these entities are referred to as the "Company"). Guest, Marx, Maryland and Rier (the "Acquired Entities") were acquired in the transaction discussed below.

On November 21, 2006, Merchants acquired certain shares of stock and partnership interests in the Acquired Entities and other joint venture interests from the estate of a Merchants' former stockholder for a total cost of $41,661,149 in cash. There were no significant liabilities assumed upon acquisition. The purchase price was allocated to the real estate and partnership interests based on their fair values. No goodwill or intangible assets were recorded.

On November 8, 2012, Putnam was formed to acquire property, which was developed into a commercial and residential project. Merchants owns 92.75% of Putnam.

On July 16, 2013, Bethpage was formed to acquire land for the purpose of net leasing or developing it into a commercial project. Merchants owns 95.70% of Bethpage.

In October 2014, Brahmin was formed to acquire a 50% tenancy-in-common interest in three real properties. Merchants owns 59.40% of Brahmin.

On September 11, 2015, Merchants acquired an additional 8.05% interest in the members' equity of University, which resulted in 57.88% interest in the members' equity of University.

During 2020, Merchants consolidated its investment in Athens pursuant to a Plan of Redemption and Partition whereby Merchants' ownership interest increased from 45.3332% to 90.6664%, when Athens took full ownership of the retail condominium at 819 7th Street NW, Washington, D.C. in exchange for its ownership interest in a commercial property in Pittsburgh, PA.

During 2020, Merchants consolidated its investment in Bell further to reflect the increase in its ownership interest in Bell from 33.25% to 66.5% after the acquisition of the fifth-floor commercial condominium unit at 819 7th Street NW, Washington, D.C.

On April 9, 2020, Merchants acquired a 10-story office building, located in Washington, D.C., for approximately $41 million. This property was acquired through a newly formed limited liability company, Herald, in which Merchants has a 95.01% ownership interest. In February 2021, Merchants entered into a joint venture with Herald Member LLC (the "Investor"), an affiliate of Iowa Public Employee's Retirement System, managed by Invesco Advisors, Inc., whereby the Investor acquired a 70% equity interest in Herald.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation
The consolidated financial statements include the accounts of Merchants and its subsidiaries; Guest, a 100% owned subsidiary; Maryland, an 80% owned subsidiary; Marx, a 100% owned subsidiary; Rier, a 94.64% owned subsidiary; Putnam, a 92.75% owned limited liability company; Madison, a 52.93% owned partnership; Bethpage, a 95.70% owned limited liability company; Brahmin, a 59.40% owned limited liability company; University, a 57.88% owned limited liability company, Athens, a 90.667% owned limited liability company, Bell, a 66.5% owned partnership and previously Herald, a 95.01% owned limited liability company. In view of Investor's acquisition of 70% equity interest in Herald, effective the first quarter of 2021, Herald's financials are no longer being consolidated with Merchants' financials. All significant intercompany accounts and transactions have been eliminated in consolidation.

Noncontrolling Interests
Accounting principles generally accepted in the United States of America ("GAAP") require that noncontrolling interests in subsidiaries and affiliates be reported in the equity section of a company's balance sheet. In addition, the amounts attributable to the net income (loss) of these subsidiaries and affiliates are reported separately in the consolidated statements of income and changes in stockholders' equity for all years presented.

Use of Estimates
Management uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. The most significant estimates and assumptions relate to depreciable lives, impairment of long-lived assets and the recovery of receivables. Actual results could differ from those estimates.

Rental Properties, Net
Real estate is recorded at cost. Maintenance and repairs are charged to operations at the time the expenditures are made, whereas betterments and improvements are capitalized. Upon sale or other disposition of real estate, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in operations.

Purchase Accounting
The Company allocates the purchase price of asset acquisitions to the various components of the acquisition based upon the relative fair value of each component, which may be derived from various observable or unobservable inputs and assumptions. In addition, the Company may utilize third party valuation specialists. These components typically include buildings, land and intangibles related to in-place leases and the Company estimates:

- the relative fair value of land and related improvements and buildings on an as-if-vacant basis,
- the market value of in-place leases based upon the Company's best estimate of current market rents and amortizes the resulting market rent adjustment into lease income,

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Purchase Accounting (continued)

- the value of costs to obtain tenants, including tenant allowances and improvements and leasing commissions, and
- the value of lease income and recovery of costs foregone during a reasonable lease-up period, as if the space was vacant.

The relative fair value of buildings is depreciated over the estimated remaining life of the acquired building or related improvements. The Company amortizes tenant improvements, in-place lease assets and other lease-related intangibles over the remaining life of the underlying leases. The Company also estimates the value of other acquired intangible assets, if any, which are amortized over the remaining life of the underlying related intangibles. Considering the Herald building was purchased with short-term in-place leases and the intention of reposition the building after its acquisition, the market value of in-place leases or the value of costs to obtain tenants was not deemed necessary considerations in deriving the relative fair value of the building or improvements.

Marketable Securities
The Company adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Update No. 2016-01 ("ASU 2016-01") "Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities," which amends various aspects of the recognition, measurement, presentation, and disclosure of financial instruments. Equity securities are measured at fair value and unrealized gains and losses are recognized in net income.

Marketable securities, which consist of equity securities, are carried at fair value in the consolidated financial statements.. Realized gains and losses are included in net income based on the specific identification method; unrealized holding gains and losses are included in the consolidated statements of operations.

Investments in Real Estate Ventures
Investments in unconsolidated affiliated companies, in which the Company has a less than 50% interest and significant influence, but not control, are accounted for using the equity method. Distributions declared but not paid are recorded as receivables from affiliated real estate ventures. On a periodic basis, management assesses whether there are any indicators that the carrying value of the Company's investments in real estate ventures may be impaired. An investment is impaired only if management's estimate of the fair value of the investment is less than the carrying value of the investment, and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the investment over the fair value of the investment. The Company's estimates of fair value for each investment are based on a number of assumptions that are subject to economic and market uncertainties, including, among others, demand for space, competition for tenants, changes in market rental rates, and operating costs. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in Real Estate Ventures (continued)

fair values estimated by management in its impairment analyses may not be realized. No impairment of the recoverability of the carrying amount of its investments has occurred as of September 30, 2021 and December 31, 2020.

Intangible Asset Available-for-Sale
Intangible asset available for sale consists of a liquor license that is not amortized as it has an indefinite life. The Company reviews intangible assets with indefinite lives for impairment annually or more frequently if impairment indicators arise. As permitted under GAAP, the Company took a qualitative approach in determining whether it was more likely than not that, the intangible asset was impaired. To the extent, the qualitative factors indicate that there is more than a 50% likelihood that the intangible asset is impaired or when the qualitative approach is not used, the Company performs a quantitative impairment test. The quantitative impairment test consists of a comparison of the fair value of the asset with its carrying amount. If the carrying amount of the intangible asset exceeds its fair value, the Company recognizes an impairment loss in an amount equal to that excess. The liquor license has been classified as available for sale. No impairment provision was necessary at September 30, 2021 or December 31, 2020.

Long-Lived Assets
The Company reviews the carrying values of its long-lived assets, such as rental properties, whenever events or changes in circumstances indicate that the carrying values may no longer be appropriate. Recoverability of carrying values is assessed by estimating future net cash flows from the assets. Impairment assessment inherently involves judgment as to assumptions about expected future cash flows and the impact of market conditions on those assumptions. Future events and changing market conditions may impact management's assumptions as to rental rates, costs, holding periods or other factors that may result in changes in the Company's estimates of future cash flows. Although management believes the assumptions used in testing for impairment are reasonable, changes in any one of the assumptions could produce a significantly different result. No impairment was noted at September 30, 2021 or December 31, 2020.

Cash and Cash Equivalents
The Company considers cash and cash equivalents to include cash on hand, cash in banks, and short-term investments in institutional money market funds with initial maturities of three months or less. Cash balances in banks in the United States of America are insured by the Federal Deposit Insurance Corporation subject to certain limitations. Cash balances in institutional money market funds are insured by the Securities Investor Protection Corporation subject to certain limitations.

Restricted Cash
Restricted cash represents funds held in escrow for tenant and capital improvements and leasing commissions as required by the lenders.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Issuance Costs
Debt issuance costs represent amounts incurred in connection with obtaining debt financing. These costs are being amortized on the straight-line basis over the term of the related loan, which approximates the effective interest method. For the nine months ended September 30, 2021 and 2020, amortization of deferred financing costs was $71,975 and $301,676, respectively. These amounts are included in financing expenses on the consolidated statements of operations.

Income Taxes
The Company files a combined income tax return for New Jersey, New York State and New York City except for Madison, Putnam, Bethpage, Brahmin, University, Athens and Bell. Merchants and Marx file a consolidated federal income tax return and separate income tax returns for all states except New York. Guest, Maryland and Rier file separate federal income tax returns and for all states except New York. Madison, Putnam, Bethpage, Brahmin, University, Athens and Bell file separate federal and state income tax returns.

The Company applies the provisions of FASB Accounting Standards Codification ("ASC") Topic 740: Income Taxes ("ASC Topic 740"). The Company files income tax returns in the U.S. federal jurisdiction and in various states.

The Company does not have any uncertain tax positions. As a result, there are no unrecognized tax benefits in the consolidated balance sheets. If the Company were to incur any interest and penalties in connection with income tax deficiencies, the Company would classify interest in the "interest expense" category and classify penalties in the "non-interest expense" category within the consolidated statements of income.

Deferred Income Taxes
The Company uses the asset and liability method of accounting for income taxes in accordance with ASC Topic 740. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

Revenue Recognition
Revenues derived from fixed lease payments are recognized on a straight-line basis over the non-cancelable period of the lease, together with renewal options that are reasonably certain of being exercised. All leases between the Company and the tenants of the properties are considered to be operating leases. Receivables from tenants are stated at the amount management expects to collect. Account balances are written off after all means of collection have been exhausted and the potential for recovery is considered remote. Accounts are considered past due or delinquent based on contractual terms and how recently payments have been received. No allowance was considered necessary at September 30, 2021 or December 31, 2020.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued)

Management fees and development fees are recognized ratably over the period that the services are performed. Leasing commissions are recognized when the leases are executed. Asset acquisition/dispositions fees and mortgage financing fees are recognized when the transactions are entered into.

Sales of Real Estate
The Company accounts for sales of real estate under the full accrual method, whereby gain is not recognized until the collectability of the sales price is reasonably assured and the earnings process is virtually complete. When a sale does not meet such requirements, gain is deferred until the requirements for income recognition are met.

Depreciation
Properties are stated at cost. Depreciation of rental properties is computed using the straight-line method over the estimated useful lives of the assets.

Earnings Per Share
The Company computes basic earnings per share by dividing net income attributable to Merchants by the weighted average number of shares outstanding for the year. Diluted earnings per share are calculated utilizing the weighted average number of common shares outstanding adjusted for the effect of any common stock equivalents.

Fair Value Measurements
The Company follows the provisions of ASC Topic 820, "Fair Value Measurements and Disclosures, which establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and model-derived valuations whose inputs or significant value drivers are observable.
Level 3: Unobservable inputs are used when little or no market data is available.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (continued)

Financial assets measured at fair value on a recurring basis are summarized below:

September 30, 2021 (unaudited)				
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Marketable securities	$ 64,997,052	$ -	$ -	$ 64,997,052

December 31, 2020 (audited)				
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Marketable securities	$ 57,764,270	$ -	$ -	$ 57,764,270

The carrying values of cash and cash equivalents, restricted cash, receivables, and accounts payable and accrued expenses approximate their fair values due to their short-term nature. It was not practicable to reasonably estimate the fair value of the loans receivable from real estate ventures, line of credit and mortgages payable as there are no quoted market prices of similar products and management has not developed a valuation model necessary to make such estimates.

Recently Issued Accounting Pronouncements – Not Yet Adopted
In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848)". ASU 2020-04 applies to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. ASU 2020-14 is effective for all entities as of March 12, 2020 through December 31, 2022. The Company is currently evaluating the impact of the adoption of ASU 2020-04 on the mortgages payable and is working with their lenders to determine the impact it will have on its debt and the consolidated financial statements.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements – Not Yet Adopted (continued)

In 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)", for the recognition and presentation of lease assets and lease liabilities on the balance sheet. ASU 2016-02 calls for the disclosure of key information regarding leasing arrangements, particularly as it relates to operating leases. ASU 2016-02 now requires a lessee to recognize within the balance sheet, a liability to make lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term. The accounting applied by a lessor is largely unchanged from that applied under previous GAAP, as the vast majority of operating leases should remain classified as operating leases, and lessors should continue to recognize lease income for those leases generally on a straight-line basis over the lease term. ASU 2016-02 is effective for the Company's year ending December 31, 2022 and requires a modified retrospective application. The Company is currently evaluating the impact of the adoption of this standard; however, it does not expect to have a material impact on its consolidated financial statements.

Derivative Instruments
In accordance with GAAP, the Company recognizes derivatives as either assets or liabilities in the consolidated balance sheets and measures those instruments at fair value. Changes in fair value will affect either accumulated other comprehensive income or loss, which is a component of equity, if the derivative qualifies as a hedge and is effective, or net income or loss, if the derivative does not qualify as a hedge or if the hedge is ineffective.

The Company has a receive-variable (LIBOR plus 1.625%), pay-fixed (3.9%) interest rate swap agreement related to its variable rate loan on University Plaza (see Note 9). The interest rate swap agreement is effective as of October 1, 2015, matures on October 1, 2025, and has an original notional amount of $9,000,000 with a notional amount of $7,594,392 and $7,791,343 at September 30, 2021 and December 31, 2020, respectively. The notional amount is reduced based on the terms of the agreement. The interest rate swap agreement is intended to hedge the Company's exposure to possible increases in interest rates and the resulting increase in cash outflows.

The Company has a receive-variable (LIBOR), pay-fixed (1.64%) interest rate swap agreement related to its variable rate loan on West 181st Street (see Note 9). The interest rate swap agreement is effective as of August 13, 2019, matures on September 4, 2029, and has an original notional amount of $8,625,000 with a notional amount of $8,388,381 and $8,566,596 at September 30, 2021 and December 31, 2020, respectively. The notional amount is reduced based on the terms of the agreement. The interest rate swap agreement is intended to hedge the Company's exposure to possible increases in interest rates and the resulting increase in cash outflows.

The interest rate swaps were not designated as cash flow hedges and, accordingly, changes in fair value are recognized in earnings. As of September 30, 2021 and 2020, the Company recorded a gain of approximately $614,560 and a loss of $779,681, respectively, in the fair value of the interest rate swap agreements.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties
The Company is subject to risks incidental to the ownership, development and management of real estate. These include the risks normally associated with the changes in the general economic climate, trends in the real estate industry, availability of land for development, changes in tax laws and interest rates, availability of financing, and the potential liability under environmental and other laws.

The Company's investments include marketable equity securities. Due to the risks associated with equity securities, it is at least reasonably possible that changes in market conditions in the near term could materially affect the value of investments reported in the consolidated financial statements.

Reclassifications
Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. These reclassifications had no impact on previously reported net income (loss).

Subsequent Events
These consolidated financial statements were approved by management and available for issuance on November 12, 2021. Management has evaluated subsequent events through this date.

3 - RENTAL PROPERTIES, NET

Rental properties consist of the following:

	September 30, 2021 (unaudited)	December 31, 2020 (audited)
Land	$ 23,087,855	$ 44,456,441
Buildings and improvements	42,300,510	64,369,854
Furniture and fixtures	1,103,901	1,105,701
Equipment	215,831	208,805
Impairment of land and building	(1,337,269)	(1,337,269)
	65,370,828	108,803,532
Less: accumulated depreciation	8,429,420	8,151,940
	$ 56,941,408	$ 100,651,592

Depreciation expense for the nine months ended September 30, 2021 and the year ended December 31, 2020 were $924,400 and $1,926,641, respectively.

4 - MARKETABLE SECURITIES

Cost and fair value data for common stock classified as available-for-sale securities are as follows:

	September 30, 2021 (unaudited)	December 31, 2020 (audited)
Cost	$ 896,171	$ 961,168
Fair value	64,997,052	57,764,270
Net unrealized gain	$ 64,100,881	$ 56,803,102

During the nine months ended September 30, 2021, there were sales of marketable securities of $2,243,117, with a net realized gain of $2,179,123. There were no sales of marketable securities during the nine months ended September 30, 2020.

5 - INVESTMENTS IN REAL ESTATE VENTURES

The Company holds investments in various real estate ventures. Changes in the Company's investments in real estate ventures for the nine months ended September 30, 2021 and year ended December 31, 2020, respectively are as follows:

	September 30, 2021 (unaudited)	December 31, 2020 (audited)
Balance, beginning of year	$ 109,293,139	$ 122,715,988
Contributions	3,616,683	939,436
Distributions	(6,274,858)	(12,514,907)
De-consolidation of Herald *	4,184,047	-
Athens and Bell Blvd investments **	-	(8,369,101)
Equity in earnings, net	9,967,597	6,521,723
Net investments, end of period	$ 120,786,608	$ 109,293,139

* Represents the reclassification of rental properties, net to investments in real estate ventures because of the de-consolidation of Herald from the Company's consolidated financial statements effective February 2021 (see Note 1).

As a result of the de-consolidation of Herald from the Company's consolidated financial statements effective February 2021, the current year balance sheet no longer includes the rental property and mortgage payable related to Herald. Similarly, the current year income statement no longer includes revenues and operating expenses related to Herald. The prior year balance sheet and income statement included Herald's assets, liabilities, revenues and operating expenses.

5 - INVESTMENTS IN REAL ESTATE VENTURES (Continued)

** Represents the reclassification of investments in two real estate ventures (Athens and Bell) to rental properties, net as a result of the consolidation of these real estate ventures with the Company's consolidated financial statements effective January 1, 2020 (see Note 1).

The following information summarizes the total assets, liabilities, revenues and expenses of the investees in the aggregate prior to allocating the Company's share indicated by the percentages listed on the following page:

	September 30, 2021 (unaudited)*	December 31, 2020 (audited)*
Assets	$ 608,810,205	$ 567,965,840
Liabilities	408,171,034	344,613,063
Equity	$ 200,639,171	$ 223,352,777

	Nine Months Ended September 30, 2021 (unaudited)*	Nine Months Ended September 30, 2020 (unaudited)*
Rental and other revenues	$ 91,953,439	$ 95,205,939
Net gains on disposal of rental property	11,364,717	-
Total income	103,318,156	95,205,939
Direct operating expenses	42,052,172	46,731,709
Financing expenses	10,725,221	11,207,257
Depreciation and amortization expense	19,684,262	20,611,078
Income taxes	2,167,786	1,074,314
Total expenses	74,629,441	79,624,358
Net income	$ 28,688,715	$ 15,581,581

*The investments in real estate ventures are accounted for using the equity method. The above amounts, which represent 100% of the assets, liabilities, equity, revenues and expenses of the real estate joint ventures, have not been audited, except one of the investments as noted in the independent auditors' 2020 report. The assets and liabilities of this investment in real estate venture is approximately 22% and 29%, respectively, of the total assets and liabilities above at September 30, 2021 and 34% and 35%, respectively, at December 31, 2020. The net income of this investment in real estate venture is approximately 45% and 54% of the total net income above for the nine months ended September 30, 2021 and 2020, respectively.

5 - INVESTMENTS IN REAL ESTATE VENTURES (Continued)

Investments in real estate ventures consist of the following:

	% of Ownership (a)	
Investee	September 30, 2021 (unaudited)	December 31, 2020 (audited)
135 Bowery	9.0000%	9.0000%
430 Park Avenue Syndicate (b)	7.0828	7.0828
532 Madison Syndicate	10.4099	10.4099
708 Third Avenue Holdings, LLC (c)	35.7135	35.7135
Arlington Joint Venture	18.1875	18.1875
Avon Joint Venture	40.5938	40.5938
BSC Empire	37.6214	37.6214
Belle Haven Realty LLC	42.5700	42.5700
Bellflower Joint Venture	17.4167	17.4167
Bey Lea Joint Venture (b)	9.1366	9.1366
Boston Syndicate (d)	31.4393	25.0000
Dollar Land Associates LLC	37.6214	37.6214
East Rutherford Joint Venture	0.7500	0.7500
Farmingville Associates (b)	10.6223	10.6223
Fort Lee Joint Venture	30.0000	30.0000
Herald Owners, LLC (e)	28.5030	0.0000
Ithaca Joint Venture	21.0000	21.0000
Joseph E. Marx Co. Inc. ("JEM")	23.3330	23.3330
Knights Road Shopping Center LP (b)	11.4044	11.4044
LM of Greenwich	16.9125	16.9125
Louisville Syndicate	49.3097	49.3097
Marlton Joint Venture	34.9167	34.9167
Newbury Street Partners (b)	18.7084	18.7084
Ocean County Ventures (b)	30.0981	30.0981
Orange Syndicate (b)	48.5607	48.5607
Pequannock Joint Venture LLC	22.5953	22.5953
Peters Land Syndicate	26.7644	26.7644
Queens Blvd. Joint Venture	12.6867	12.6867
Seaford Joint Venture	22.6781	22.6781

(a) % of Company's beneficial interest in the underlying investment.
(b) Excludes indirect interest through JEM.
(c) Represents 35.7135% of 10 Grand Central (formerly known as 708 Third Avenue) and 17.85675% of 712 Third Avenue.
(d) Please see Footnote 5, page 24.
(e) On February 26, 2021, a third-party investor ("Invesco") purchased a 70% ownership in Herald. As a result, the Company's previous 95.01% equity interest in The Herald Owners, LLC was reduced to 28.503%. Previously, Herald was a consolidated entity and not reflected in the table above.

5 - INVESTMENTS IN REAL ESTATE VENTURES (Continued)

On May 1, 2021, the ground lease for one of the properties in which the Company has an indirect ownership interest, located at 430 Park Avenue in New York City, was extended for 28 years from April 2042 to April 2070.

Effective July 1, 2021, the Company increased its ownership interest in Boston Syndicate from 25% to 31.44% by acquiring additional ownership interest from other Boston Syndicate members. who tendered their interest at a cost equal to their total cash investment in Boston Syndicate of $117,708 per 1% interest.

On August 5, 2021, a new $31 million two-year (with two additional one-year extension options) mortgage was placed on the 430 Park Avenue property to replace an existing $11.4 million mortgage which was set to mature in April 2022.

The Miami Beach property owned by Orange Syndicate was sold on August 17, 2021 for $15,350,000. The Company's share of the capital gain on the sale of this property was approximately $5.5 million and is included in equity in earnings of real estate ventures.

6 - LOANS RECEIVABLE, REAL ESTATE VENTURES

Loans receivable from one real estate venture affiliate in the amount of $1,781,250 and $1,725,000 as of September 30, 2021 and December 31, 2020, respectively, are due on demand and bear interest at 5.0%. As of September 30, 2021 and December 31, 2020, accrued interest of $281,250 and $225,000, respectively, was included in the loan receivable balance. Management believes that these loans are fully collectible, and no allowance for loan loss is required at September 30, 2021 and December 31, 2020.

7 - LINE OF CREDIT

Merchants had a $30,000,000 credit facility (the "Facility") with Capital One Bank, originally expiring on May 1, 2021. The Facility was subject to a borrowing base of 70% of the fair value of Merchants' marketable securities and 100% of the value of cash and cash equivalents. The interest rate on the Facility was LIBOR plus 1.35% (1.50% at December 31, 2020). The Facility was subject to certain covenants, as described in the facility agreement, and allowed Merchants to request that the bank issue standby letters of credit on its behalf.

In March 2021, Merchants obtained a new three-year $40 million credit facility (the "New Facility") with Valley National Bank, expiring February 2024. The New Facility is subject to a borrowing base of 75% of the fair value of the Company's marketable securities and 100% of the value of cash and cash equivalents. The interest rate on the New Facility is LIBOR plus 1.25%. The New Facility is subject to certain covenants and allows the Company to request that the bank issue standby letters of credit on its behalf. Soon after closing the New Facility, the Company paid off the entire then outstanding balance of $21.5 million.

7 - LINE OF CREDIT (Continued)

As of December 31, 2020, the Company had $21,500,000 of outstanding borrowings under the Facility. No amounts were outstanding under the Facility as of September 30, 2021.

Interest expense for the nine months ended September 30, 2021 and 2020 was $59,020 and $321,727, respectively.

8 – LOAN PAYABLE, PAYCHECK PROTECTION PROGRAM

In April 2020, the Company applied for and received funding for a loan totaling $578,297 under the U.S. Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”), which is part of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), enacted on March 27, 2020. Under the terms of the SBA PPP loan, up to 100% of the principal and accrued interest may be forgiven if certain criteria are met and the loan proceeds are used for qualifying expenses such as payroll costs, benefits, rent and utilities as described in the CARES Act. The loan accrues interest at a rate of 1% and any portion of the principal and accrued interest that is not forgiven is required to be repaid by April 20, 2022. Interest expense for the year ended December 31, 2020 was not considered significant to the Company's consolidated financial statements. The loan was forgiven on August 6, 2021, and is included in other revenues on the consolidated statements of operations.

9 - MORTGAGES PAYABLE

In August 2019, Merchants obtained a $8,625,000 mortgage payable, secured by a first mortgage lien on the property located at 605-609 West 181st Street, New York, NY. The mortgage required monthly payments of interest only at 3.39% through September 1, 2020.

Beginning October 1, 2020, the mortgage requires principal and interest payment based on a 24-year amortization term. The mortgage matures on September 1, 2029, at which time the outstanding principal balance and any unpaid interest is due. For the nine months ended September 30, 2021 and 2020, interest expense was $225,673 and $198,223, respectively. The mortgage payable balances at September 30, 2021 and December 31, 2020 were $8,388,383 and $8,566,596, respectively. The loan is subject to a debt service coverage ratio of 1.10. Beginning January 1, 2020, the debt service ratio has been tested quarterly.

In October 2014, Brahmin obtained three mortgages totaling $2,790,000, which collectively are secured by a first mortgage lien on the properties located at 10-14 Bosworth Street, 41 Bromfield Street and 45 Bromfield Street, Boston, MA. On June 1, 2019, the three mortgages with an outstanding balance of approximately $2,480,000 were modified to $4,750,000. The modified mortgages require monthly payments in the aggregate of $52,342 with 4.35% of interest to adjust every seven years through November 1, 2039. The initial interest rate during the first seven years is fixed at 4.35% and every seven years the interest will adjust to 185 basis points plus the seven-year US Treasury Index not to exceed 4.35%. Merchants is a limited guarantor of this loan. Interest expense was $150,681 and $153,534 for

9 - MORTGAGES PAYABLE (Continued)

the nine months ended September 30, 2021 and 2020, respectively. The mortgage payable balances at September 30, 2021 and December 31, 2020 were $4,504,247 and $4,589,106, respectively. The loan is subject to a debt service coverage ratio of 1.20, which shall be tested annually. Brahmin is currently not in compliance with the ratio; however, Brahmin is current in its debt service payments.

On April 3, 2015, Putnam obtained a construction loan in the amount of $4,000,000 for the development of its property, with an option to convert it to a permanent facility at the issuance of a certificate of occupancy after closing. The loan bore interest at the Wall Street Journal Prime Rate plus a margin of 0.123% on the outstanding balance. On December 29, 2016, the outstanding construction loan in the amount of $3,965,429 was converted into a permanent mortgage of $4,500,000, maturing on January 1, 2024. The mortgage requires monthly payments in the aggregate of $21,484, including principal and interest based on a 30-year amortization schedule. The interest rate during the term of the note is 4%. For the nine months ended September 30, 2021 and 2020, interest expense was $124,027 and $126,963, respectively. The mortgage payable balances at September 30, 2021 and December 31, 2020 were $4,103,200 and $4,172,295, respectively. The loan is subject to a debt service ratio of 1.25, which shall be tested annually. Putnam is currently not in compliance with the ratio; however, Putnam is current in its payment of debt service.

On September 11, 2015, University obtained a loan in the amount of $9,000,000. The loan requires monthly payments of approximately $19,000, including interest equal to LIBOR plus 1.625% (2.61% and 3.17% at December 31, 2020 and December 31, 2019, respectively), and has a maturity date of September 11, 2025. Merchants is the guarantor of this loan. University has entered into a receive-variable (LIBOR plus 1.625%), pay-fixed (3.9%) interest rate swap agreement related to its variable rate loan (see Note 2). The loan can be prepaid in whole or in part from time to time without penalty.

The loan is subject to a debt service ratio of 1.30, which shall be tested annually. University is currently not in compliance with the ratio; however, University is current in its debt service payments.

If the debt service ratio falls below 1.30, University is required to provide cash collateral or an unconditional standby letter of credit. In April 2018, University deposited $300,000 in a debt service reserve at the request of the lender in order to satisfy this covenant due to noncompliance as of December 31, 2017. For the nine months ended September 30, 2021 and 2020, interest expense was $227,184 and $237,165, respectively. The mortgage payable balance at September 30, 2021 and December 31, 2020 was $7,594,392 and $7,791,343, respectively.

In November 2016, Athens obtained a $5,000,000 mortgage payable, secured by a first mortgage lien on the property located at 817 7th Street NW, Washington DC. Merchants is a limited guarantor of this loan. The mortgage requires monthly payments in the aggregate of $25,199, including principal and interest, based on a 25-year amortization schedule and has a maturity date of December 1, 2023. The interest rate during the term of the note is 3.50%. For the nine months ended September 30, 2021 and 2020, interest expense was $117,861 and $122,079, respectively. The mortgage payable balance at September 30, 2021 and December 31, 2020 was $4,362,597 and $4,471,524, respectively. The loan is subject to a debt service ratio of 1.25, which shall be tested annually.

9 - MORTGAGES PAYABLE (Continued)

In April 2020, Herald obtained a mortgage payable of up to $49,844,000, secured by a first mortgage lien on the property located at 1307 New York Avenue, NW, Washington, DC. Merchants is a limited guarantor on this loan. In addition, Merchants has provided Interest, Carry and Rebalancing Guaranty ("ICR Guaranty"), Deferred Equity and Completion guarantees and an Environmental Indemnity Agreement. Among other requirements, the ICR Guaranty will terminate upon the completion of construction work and achievement of an occupancy rate of 88% of net rentable square footage. The mortgage payable matures in April 2023, requires monthly interest only payments at the rate of 4.5% and contains two 12-month extension options, subject to Merchants meeting certain conditions. For the nine months ended September 30, 2020, interest expense was $562,350. The mortgage payable balance at December 31, 2020 was $26,703,997. Due to the de-consolidation of Herald (see Note 1), the mortgage balance at September 30, 2021 was zero on the Company's consolidated balance sheet.

Future minimum payments on the aforementioned mortgages payable are as follows:

Year Ending December 31,		
2021	$	219,303
2022		888,553
2023		4,940,181
2024		794,812
2025		7,187,785
Thereafter		14,922,185
		28,952,819
Less: unamortized debt issuance costs		362,524
	$	28,590,295

10 - LEASE ARRANGEMENTS

Building space is leased under noncancelable operating leases. Certain tenant leases provide for the payment of minimum rentals plus a percentage of the tenant's sales in excess of stipulated amounts. Minimum rental revenues under existing noncancelable leases as of September 30, 2021 are approximately as follows:

Year Ending December 31,		
2021	$	1,348,000
2022		5,235,000
2023		4,579,000
2024		3,880,000
2025		3,550,000
Thereafter		21,389,000
	$	39,981,000

10 - LEASE ARRANGEMENTS (Continued)

Common area maintenance and real estate tax escalation charges included in rental income were $295,004 and $369,403 for the nine months ended September 30, 2021 and 2020, respectively.

For the nine months ended September 30, 2021, one tenant represented approximately 22% of rental income. For the nine months ended September 30, 2020, two tenants represented approximately 24% of rental income.

11 - INCOME TAXES

The Company's effective tax rate differs from the statutory tax rate due to state credits, as discussed below. The Company's income tax provision (benefit) consists of the following:

	Nine Months Ended September 30,	
	2021 (unaudited)	2020 (unaudited)
Current		
Federal	$ 1,291,389	$ 1,024,725
State	715,176	1,169,148
	2,006,565	2,193,873
Deferred		
Federal	2,353,176	(311,377)
State	831,860	(583,317)
	3,185,036	(894,694)
Income tax provision per consolidated statements of operations	$ 5,191,601	$ 1,299,179

11 - INCOME TAXES (Continued)

Components of deferred tax assets and liabilities are as follows:

	September 30, 2021 (unaudited)		December 31, 2020 (audited)	
	Components	Tax Effect	Components	Tax Effect
Deferred tax assets				
Bad debt expense	$ 192,293	$ 55,573	$ 278,685	$ 80,541
Depreciation - state	15,889,735	1,588,974	15,889,735	1,588,973
Impairment loss	2,211,064	638,997	2,142,649	619,226
Unrealized loss on interest rate swap	578,396	167,157	1,029,377	297,490
Prepaid rent	986,610	285,130	1,644,268	475,193
	19,858,098	2,735,831	20,984,714	3,061,423
Deferred tax liabilities				
Amortization	$ 1,846,229	$ 533,560	$ 1,846,229	$ 533,560
Depreciation - federal	352,224	73,968	3,023,301	634,893
Deferred gain on disposal of rental property	31,723,634	9,168,130	26,174,368	7,564,392
Deferred revenue	8,025,194	2,319,282	9,298,410	2,687,240
Tangible property regulation (263a)	11,567,448	3,342,993	11,413,923	3,298,625
Other	5,680,101	1,641,550	3,829,886	1,106,840
Unrealized gain on marketable securities	64,159,188	14,115,021	56,861,411	12,509,510
	123,354,018	31,194,504	112,447,528	28,335,060
Net deferred tax liability	$ 103,495,920	$28,458,673	$ 91,462,814	$25,273,637

Components of deferred tax assets and liabilities include book to tax differences arising from investments in real estate ventures.

12 - RELATED PARTY TRANSACTIONS

The Company manages various properties and several entities through which investments in real estate ventures are held. Management fees, leasing commissions, supervisory and other revenues earned from related parties for the nine months ended September 30, 2021 and 2020 were $5,404,305 and $4,962,579, respectively.

As of September 30, 2021 and December 31, 2020, the amount due from related parties for management fees, leasing commissions, supervisory fees and other charges was $2,752,998 and $1,905,533, respectively. These amounts are non-interest bearing and are due on demand.

Loans to employees for the purchase of membership interests in certain subsidiaries totaling $1,398,772 and $1,935,238 at September 30, 2021 and December 31, 2020, respectively, are included in receivables from employees on the consolidated balance sheets. The loans bear interest at 6%, and any unpaid balance, including accrued interest, is due within 12 months of termination of employment with the Company. The loans to employees are collateralized by the employees' respective ownership interest in these subsidiaries.

13 - RETIREMENT PLAN

The Company makes matching contributions to a retirement plan equivalent to 50% of participants' contributions, not to exceed 2% of such employees' base compensation, or the Internal Revenue Code imposed maximum of $5,800 per year. The Company's matching contributions for the nine months ended September 30, 2021 and 2020 were $59,464 and $45,017, respectively.

14 - COMMITMENTS AND CONTINGENCIES

Guarantees and Indemnification

In April 2020, Herald obtained a mortgage payable of up to $49,844,000, with a mortgage balance outstanding at September 30, 2021 in the amount of $32,424,549 secured by a first mortgage lien on the property located at 1307 New York Avenue, NW, Washington, DC. Merchants is a limited guarantor on this loan. In addition, Merchants has provided Deferred Equity and Completion guarantees, an Environmental Indemnity Agreement and an Interest, Carry and Rebalancing Guaranty ("ICR Guaranty"). Among other requirements, the ICR Guaranty will terminate upon the completion of construction work and achievement of an occupancy rate of 88% of net rentable square footage. The mortgage payable matures in April 2023, requires monthly interest only payments at the rate of 4.5% and contains two 12-month extension options, subject to Merchants meeting certain conditions.

14 - COMMITMENTS AND CONTINGENCIES (Continued)

Guarantees and Indemnification (continued)

In addition, the Company has signed limited suretyship and guarantee agreements with the mortgagees of three investees at September 30, 2021 and two investees at December 31, 2020, which own rental real properties with mortgages outstanding of approximately $18,988,000 and $19,118,000 at September 30, 2021 and December 31, 2020, respectively. In addition, the Company has provided indemnification for any environmental issues to the lenders of these investees. Management believes that there is no liability under these guarantees at September 30, 2021 and December 31, 2020.

Lease

The Company leases office space from 708 Third Avenue Holdings, LLC, in which it has an investment. The lease expires on January 23, 2029. For the nine months ended September 30, 2021 and 2020, rent expense, including real estate tax and operating expense escalations, was $185,872 and $164,403, respectively.

Minimum rental expense under this lease as of September 30, 2021 is as follows:

Year Ending December 31,	
2021	$ 51,187
2022	204,746
2023	204,746
2024	217,273
2025	218,099
Thereafter	667,782
	$ 1,563,833

Employment Agreement

In August 2017, the Company granted its Chief Executive Officer (the "CEO") a long-term incentive award equal to $750,000 (the "LT Cash Incentive"). The LT Cash Incentive shall vest on each of the four anniversaries of the Award Date in four equal installments, subject to the CEO's continued employment through the respective vesting dates. As of December 31, 2020, $750,000 was vested and is included in accounts payable and accrued expenses.

In April 2020, the Company amended and restated the original 2017 employee agreement with the CEO ending August 2024, with an automatic extension of one year, pursuant to which the Company agrees to pay a base annual salary of $620,000, with an annual increase of the lesser of the increase in the consumer price index or 3% per year. The CEO is eligible for an annual performance bonus award providing a target bonus opportunity of 75% of the current base salary.

14 - COMMITMENTS AND CONTINGENCIES (Continued)

Employment Agreement (continued)

In April 2020, the Company granted the CEO a new long-term incentive award equal to $1,100,000 (the "New LT Cash Incentive"). The New LT Cash Incentive shall vest on each of the four anniversaries of the Award Date in four equal installments, subject to the CEO's continued employment through the respective vesting dates. As of September 30, 2021, $206,250 was accrued and included in accounts payable and accrued expenses.

In addition, when the Company enters into new investments, as defined in the CEO's employment agreement, the CEO is required to make a personal investment at the level of 5% of the Company's investment. The funds for the CEO's personal investments would be loaned by the Company on a non-recourse basis, with interest at 6% a year, using the acquired equity as collateral. The unpaid balance, including accrued interest, is due within 12 months of termination of employment with the Company. As of September 30, 2021 and December 31, 2020, the loan balance, including accrued interest, was $1,207,422 and $1,681,193, respectively. These amounts are included in receivables from employees on the accompanying consolidated balance sheets.

For the nine months ended September 30, 2021, the CEO's total compensation was $1,052,601, which consisted of $487,137 for base salary, a $359,214 bonus and a $206,250 LT Cash Incentive. For the nine months ended September 30, 2020, the CEO's total compensation was $1,492,500, which consisted of $465,000 for base salary, a $465,000 bonus and a $562,500 LT Cash Incentive. On August 9, 2021, the Company paid the CEO $430,000 on account of his 2021 anticipated bonus.

The Company follows the provisions of ASC Topic 718, "Compensation - Stock Compensation", which covers a wide range of share-based compensation arrangements and provides guidance for recognition of compensation cost related to these types of transactions. Compensation will be measured based on the fair value of the equity instrument when they are earned. The fair value of the Company's stock awards will be determined based on Level 2 inputs.

In April 2021, the Company entered into a restricted stock agreement pursuant to which the CEO was granted 100 shares of common stock of the Company (the"Shares"). The Shares will become fully vested on August 10, 2024, provided the CEO remains employed by the Company at that date. Unless and until the Shares are rescinded, the CEO shall have all voting rights and receive all dividends paid with respect to the Shares.

Capital Calls and Investment Funding
In the normal course of business, the Company may request additional capital contributions from its investors.

14 - COMMITMENTS AND CONTINGENCIES (Continued)

Litigation

In the normal course of business, the Company is a party to various legal claims, actions and complaints relating to its real estate activities. Management does not expect that the results of any of these proceedings will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

15 – HEALTH RISK UNCERTAINTY

The spread of a novel strain of coronavirus ("COVID-19") around the world in 2020 and 2021 has caused significant volatility in the U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Company is unable to determine if it will materially impact its operations.

Addendum B

(see attached)

Addendum B

Property	CITY	Building Type	Land (Acres) - Approx.	Building (square ft) - Approx.	MNP Interest [1]	Occupancy %	% VACANT	SF LEASED	SF VACANT	# of In-place Tenants	Primary Tenants
ALABAMA											
1301 N MEMORIAL PKWY, HUNTSVILLE	HUNTSVILLE	RETAIL/BILLBOARD SIGN	1.4	10,832	53.4%	100.00%	0.00%	10,832	-	2	Bridgestone, Lamar Advt.
CALIFORNIA											
17220-230 S. LAKEWOOD, BELLFLOWER	BELLFLOWER	SHOPPING CENTER	11.1	131,884	17.4%	98.86%	1.14%	130,384	1,500	6	Kimco Realty, Denny's, Granny's Donuts, Star Dental, Sunrise Beauty, LA Pro Nail
CONNECTICUT											
1381 EAST PUTNAM AVENUE, GREENWICH	GREENWICH	MIXED-USE	0.7	10,200	92.8%	100.00%	0.00%	10,200	-	6	Belly & Body, Estate Treasures + 4 Residential units
98,102, 108 GREENWICH AVENUE	GREENWICH	MIXED-USE	-	18,489	57.9%	100.00%	0.00%	18,489	-	6	Sweet Green, Eleventy, Karp Reilly, Altus Power, Night Owl, Resi Penthouse
DISTRICT OF COLUMBIA											
2200 P STREET NW, DC	WASHINGTON, DC	RETAIL/GAS STATION	0.4	2,100	100.0%	100.00%	0.00%	2,100	-	1	Consolidated Petroleum
819 7TH ST., NW, WASHINGTON, DC	WASHINGTON, DC	RETAIL/OFFICE		7,857	90.7%	100.00%	0.00%	7,857	-	2	Nando's Restaurant Group
819 7TH ST., NW, WASHINGTON, DC	WASHINGTON, DC	OFFICE		5,115	66.5%	100.00%	0.00%	5,115	-	1	Color of Change
1307 NEW YORK AVE NW, WASH., DC	WASHINGTON, DC	OFFICE		106,572	28.5%	7.05%	92.95%	7,514	99,058	1	CCGN - Base Building Renovation completed July 2021, now marketing for leasing
GEORGIA											
207-211 PEACHTREE STREET, ATLANTA	ATLANTA	1-4 STORY+1-1 STORY BLDG	0.4	42,451	26.8%	59.25%	40.75%	25,151	17,300	3	Hooters, Red Phone Booth, Suito Sushi Bar
KENTUCKY											
3430 PRESTON HWY, LOUISVILLE [5]	LOUISVILLE	RESTAURANT	0.3	1,950	49.3%	100.00%	0.00%	1,950	-	1	Taco Bell
MASSACHUSETTS											
349-365 WASHINGTON STREET, BOSTON [2]	BOSTON	4 BUILDING ASSEMBLAGE MIXED USE	0.5	68,406	31.8%	17.61%	82.39%	12,047	56,359	11	KQ Jewelry, Fine Diamond, Cingular, Onegig, Bromfield Pen Shop
BROMFIELD & BOSWARTH ST, BOSTON [2]	BOSTON	3 BUILDING ASSEMBLAGE MIXED USE	0.1	35,887	29.7%	87.02%	12.98%	31,230	4,657	14	Marliave, Colonial Trading, Breather, Neighborschools, Drinkmaster, Clothing from Italy, Instatrac, Empatica
NEW JERSEY											
460 WEST ROUTE 70, MARLTON	MARLTON	RETAIL	1.4	9,000	34.9%	100.00%	0.00%	9,000	-	1	Enterprise Car Rental
240 WEST PWY, PEQUANNOCK	POMPTON PLAINS	WAREHOUSE	6.9	127,800	22.6%	100.00%	0.00%	127,800	-	1	Strong Man Builiding Products
1218 HOOPER AVE (& BEY AVE)	TOMS RIVER	RETAIL + VACANT LAND	27.2		30.1%	100.00%	0.00%	-	-	3	Target, Chilli's, Exxon (All ground-leased)
1232 HOOPER, TOMS RIVER	TOMS RIVER	SHOPPING CENTER	14.1	79,186	11.6%	57.11%	42.89%	45,226	33,960	8	Petsmart, DXL, Encore Dental, Vitamin Shoppe, Wells Fargo
3607 BERGENLINE, UNION CITY	UNION CITY	RETAIL	0.3	37,647	100.0%	70.78%	29.22%	26,647	11,000	1	ABC Bargain Stores
2125 FLETCHER AVENUE, FORT LEE [2]	FORT LEE	RETAIL	2.1	32,725	30.0%	100.00%	0.00%	32,725	-	1	Metropolitan Plant Exchange
NEW YORK											
KNOLLS COOP SOCIETY, BRONX [5]	BRONX	RESIDENTIAL			100.0%	100.00%	0.00%			1	Knolls Cooperative Section No. 1
3965 HEMPSTEAD BLVD., BETHPAGE [5]	BETHPAGE	RETAIL/GAS STATION	1.3	6,929	95.7%	100.00%	0.00%	6,929	-	1	Quick Check Corp.
89-17/23 QUEENS BLVD., ELMHURST	ELMHURST	RETAIL	0.3	8,625	12.7%	100.00%	0.00%	8,625	-	3	JP Morgan Chase, Japanese/Asian Food, Liquor Store
222 ELMIRA RD, ITHACA	ITHACA	SHOPPING CENTER	6.9	46,460	21.0%	100.00%	0.00%	46,460	-	14	Wild Wines, 5 Guys, Taco Bell, DiBellas Sub
201 EAST 57TH STREET, NYC [1]	NEW YORK	4 SHOW ROOM	0.2	29,617	23.3%	100.00%	0.00%	29,617	-	4	TD Bank, Design Within Reach, Mansour Rugs
532 MADISON AVENUE, NYC	NEW YORK	RETAIL/OFFICE	0.04	15,347	10.4%	57.45%	42.55%	8,817	6,530	3	Smilers, Less is More, Sprint
545 MADISON AVENUE, NYC [1]	NEW YORK	RETAIL/OFFICE	-	139,540	23.3%	76.79%	23.21%	107,154	32,386	12	Wells Fargo, Maman, Oscar Blandi, Ogden Capital, HSN, Strike Holding, Ice Data, Truarc Partners
605-9 WEST 181st STREET, NYC	NEW YORK	RETAIL	0.2	23,897	100.0%	100.00%	0.00%	23,897	-	1	Foot Locker
712 THIRD AVENUE, NYC	NEW YORK	RETAIL/OFFICE BUILDING	0.1	9,869	17.9%	100.00%	0.00%	9,869	-	3	Wendy's, Dunkin Donuts, Haufbrau
140 7TH AVE S PARCEL, NYC	NEW YORK	21sf LAND PARCEL		0	100.0%	100.00%	0.00%	-	-	1	Ark Seventh Ave South
135 BOWERY ST., NYC	NEW YORK	RETAIL/OFFICE BUILDING		21,308	46.5%	69.45%	30.55%	14,798	6,510	4	RTS, Minds+Assembly, Tradewinds
3639 MERRICK RD. SEAFORD	SEAFORD	FREESTANDING BUILDING	0.3	4,620	22.7%	100.00%	0.00%	4,620	-	1	Funstuff
2800 HYLAN BLVD., STATEN ISLAND [5]	STATEN ISLAND	BANK BLDG/FAST FOOD RESTAURANT	1.3	7,147	0.7%	100.00%	0.00%	7,147	-	2	Burger King, Bank of America
79-83 MAMARONECK AVE. W.PLAINS	WHITE PLAINS	1 STORY + PARTIAL BSMT	0.1	4,449	94.6%	23.78%	76.22%	1,058	3,391	1	Salon
10 GRAND CENTRAL, 155 E 44TH STREET	NEW YORK	RETAIL/OFFICE BUILDING	0.4	411,412	35.7%	67.83%	32.17%	279,064	132,348	39	ANA, Benenson, UNOPS, Wheelock, Mass Mutual, Crux, Little Collins, Sweetgreen, Montieth, Itochu, The Week
CROSS COUNTY SHOPPING CTR. [3]	YONKERS	SHOPPING CENTER	71.3	1,141,688	37.6%	93.64%	6.36%	1,069,046	72,642	82	Macy's, Target, Stop&Shop, Zara, H&M, Hyatt, Victoria's Secret, Gap, Blink, Old Navy, Ulta, Multiplex, Olive Garden, TGIF
92 PRINCE STREET, NEW YORK [2]	NEW YORK	RETAIL	0.1	5,200	19.7%	100.00%	0.00%	5,200	-	1	Nespresso
85 NORTH 3RD ST. WILLIAMSBURGH, BKLYN [2]	BROOKLYN	RETAIL		26,446	40.6%	64.24%	35.76%	16,990	9,456	11	Ralph Lauren, Crème Design, Kula Yoga, Aesop, Slowear, Hotovelli, Tailgate Clothing
478 W. BROADWAY, NEW YORK [2]	NEW YORK	RETAIL	-	2,900	19.7%	100.00%	0.00%	2,900	-	1	Avenso Photo Art
430 PARK AVENUE, NEW YORK [2, 4]	NEW YORK	OFFICE BUILDING	0.3	295,900	8.2%	99.02%	0.98%	292,994	2,906	22	WeWork, TD, Cellini, Wainwright, Withers, Molo, Engel & Volkers, Savanna, TIAA, Midwood, Oestreicher, Joe & Juice
124 HUDSON STREET, NEW YORK	RETAIL	RETAIL/OFFICE	-	11,892	19.4%	100.00%	0.00%	11,892	-	3	Tribeca School, Little Gym, Warburg Realty
2320 OCEAN AVENUE, FARMINGVILLE [2]	FARMINGVILLE	SHOPPING CENTER	40.6	288,552	12.3%	69.27%	30.73%	199,875	88,677	21	Stop&Shop, JPM, TGIF, BK, GNC, LA Fitness, City Practice, Star Bucks, Burlington Coat, Primo Pizza, Sally Beauty, Chick-Fil-A
TEXAS											
3803 SOUTH COOPER ST., ARLINGTON [2]	ARLINGTON	SHOPPING CENTER	5.1	55,378	18.2%	70.01%	29.99%	38,768	16,610	4	Colaw Fitness, Pet Supplies+, Pediatric Dentistry, Univ. Melody
VIRGINIA											
7717 RICHMOND HWY, ALEXANDRIA	ALEXANDRIA	VACANT LAND	0.1		42.6%	0.00%	100.00%	-	-	-	Vacant, available for lease or sale
7704 RICHMOND HWY, ALEXANDRIA	ALEXANDRIA	SHOPPING CENTER	2.8	13,330	42.6%	89.23%	10.77%	11,894	1,436	5	Verizon, Vitamin Shoppe, Pollo Campero, Dunkin
7508 RICHMOND HWY, ALEXANDRIA	ALEXANDRIA	RETAIL	1.1	7,920	7.9%	100.00%	0.00%	7,920	-	2	Sherwin Williams, End of the Roll
5025 WELLINGTON RD, GAINESVILLE	GAINESVILLE	FREESTANDING BUILDING	0.7	2,126	49.0%	100.00%	0.00%	2,126	-	1	Chipotle
			200.09	3,308,653		81.96%	18.04%	2,711,927	596,726		

[1] Includes interest owned indirectly through MNP's 23.3333% ownership in Joseph E. Marx Co., Inc.

[2] Managed by Midwood Management

[3] Was managed by Macerich through Dec. 31, 2019

[4] Leasehold Interest

[5] Ground Leased

[6] Under contract for sale