



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

December 23, 2024

Dear Shareholders:

We are pleased to enclose your 2024 second-half dividend check of \$55 per share. Together with the \$25 per share dividend paid in May 2024, the total 2024 dividend is \$80 per share (equal to last year's distribution).

Our Annual General Meeting is scheduled for Thursday, June 12, 2025, which we expect to be held virtually again this year. Additional information about the details of the meeting will be provided closer to the meeting date. As is our custom, a complete property specific report will be provided next year in conjunction with the annual meeting.

Below are some brief updates on specific properties:

Cross County Center, Yonkers, NY –

Cross County Center, owned by Dollar Land Associates LLC continues to perform strongly. The property is 97% leased and we had several important tenants open at the Center. The 134,000 square foot Target store has now been open for over one year, and we are told that it is already among the top stores in the entire Target chain. The holiday season at the Center is off to a great start, with a successful Black Friday weekend. Most retailers had sales up approximately 10% over last year for the holiday weekend. Zara, Footlocker and our jewelry shops had particularly strong sales, with Zara's sales up 25% over last year.

We are very excited to announce that the City of Yonkers Planning Board approved our plan for the building of two new retail buildings totaling approximately 60,000sf on the north lot, underground parking spaces and a beautiful tree-lined park which will be activated and become the new "front door" to the Center. Construction on this project is expected to commence in 2025, and we are already negotiating leases with two dynamic retailers for this project.

We signed over 60,000 square feet of leases year-to-date, and negotiations are underway to lease an additional 42,000 square feet of space, which includes a lease being negotiated for 27,000 sf on the third floor of the Target building. Three new food concepts recently opened at the Center including a new pizza restaurant, which is performing well above its projections. We continue to elevate the retail and food offerings at the Center and we are negotiating proposals with even more dynamic retailers for upcoming spaces in 2025.

At the September 2024 quarterly meeting of Dollar Land, the Board of Managers approved an increase in the partnership distribution to \$22M per year effective the second half of 2024. As a result, the Dollar Land partners will receive a total of \$21M distribution in 2024 and \$22M in 2025.

We continue to explore further development growth opportunities at the Center, including residential, food uses, fitness and cutting-edge retail and mixed-use elements. Please visit our website at www.crosscountycenter.com to learn more about the property.

10 Grand Central, 155 East 44th Street, New York, NY –

We have experienced a very busy summer and fall at 10 Grand Central, with the number of proposals, leases and tours far exceeding all of our neighboring properties.

We are pleased to announce that the construction work on our new 11th floor amenity space, known as the Meeting Galleries, is now complete and available for rental to host private events, perform training sessions, produce podcasts and showcase movies. We believe our full amenity offering at 10 Grand Central is among the best in the Grand Central marketplace and will help solidify the building as a top-tier office asset in the city. This space will also be income-producing for the building, and we have recently begun tours to rent out the space in 2025.

Leasing tour volume has been robust. To date we have leased an additional 61,000 square feet of space. In addition, we have another 80,000 square feet of active proposals. Many tenants in the building are seeking to grow within the property, which is a sign of the health of our tenants and the Grand Central marketplace. Our rental rates have continued to markedly improve over the previous rental rates for our new leases and we have increased our rental rates twice in 2024. We expect to raise our asking rents again in 2025 now that the new amenity space is available.

On the retail side, Sweet Green, Maman Bakery, Cava, Inday and Little Collins are performing well with long lunchtime crowds, and these retailers continue to act as an amenity for our office tenants above.

Please visit our website at www.marx-10grandcentral.com to learn more about the building.

545 Madison Avenue, New York, NY –

We recently delivered the top floor and mezzanine level of the building to luxury crystal retailer Baccarat. With this new lease, the building has now been co-branded with Baccarat with their logo near the building's entry marquee. The building also features Baccarat crystal chandeliers as well as Baccarat accessories and barware in the lobby and Leonard Lounge of the building. As a result of the dramatic renovation of the building and our co-branding with Baccarat, we have been able to increase the rental rates at the building.

Currently we have one floor available for which we are negotiating a proposal with another prominent luxury retail tenant for its office space. In July of next year, we will get back three floors of space, and we are already negotiating leases on two of those floors at our highest rental rates in the history of the building with prestigious financial groups.

Please visit our website at www.marx-545madisonnyc.com to learn more about the building.

The Herald – 1307 New York Avenue NW, Washington, DC – We recently completed building out 20,000 square feet of space on our top floor and a half of the building for a premiere government affairs group. We also signed a lease on the ground floor of the building with Proper Cloth, a men's clothing company

that is expected to open in February. In addition, this week we agreed to terms with an existing tenant of the building to take an additional half floor of the building.

We have proposals outstanding on the two remaining full floors of the building, and we have three tenants interested in our 8th floor space in particular. Many of the groups seeking space in the building are well known tech companies as well as some media and government affairs groups. All of these groups are attracted to the building because of its hospitality-infused design and the building's unusually high ceiling heights. We saw a significant pickup of tour activity in the summer and expect that many of these groups will make final leasing decisions in January of 2025 (given the election period pause and the vacations associated with the holiday season).

The building continues to attract interest from tenants in a wide spectrum of industries and continues to garner outsized interest in the market.

Please visit our website at www.marx-theheralddc.com to learn more about the building.

Additional information on various MNP owned assets is available on our websites www.marxrealty.com or www.merchantsnationalproperties.com. We encourage you to periodically visit these websites to obtain up-to-date information on various properties.

Wishing you a happy holiday season and a prosperous 2025!

Sincerely,

Merchants' National Properties, Inc.

James Better
Chairman



Craig M. Deitelzweig
President and CEO