Welcome to the Arrival of the Condominium Implosion

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This White Paper will discuss three of the hundreds of examples, that illustrate exactly why we are completely confident that the condominium market has exceed rational expansion and is once again imploding. These same "build until you bust" actions are identical to what we have seen and taken advantage of, several times before. **We're Ready! Guterman Real Estate Partners-47, LLC., "www.thefund-47.com"**

Everything my partners and I have learned and experienced during our now forty-one (41) years as developers of condominium apartments and converters of rental apartments to both cooperative and condominium ownership, has been reinforced on a daily basis with heretofore unprecedented speed.

The Market is now ready to one again generate significant profits for Owners of condominium housing.

These significant profits (just as it has happened before), will once again flow into the bank accounts of Second Owners, also known as "Bulk Purchase Owners" as they purchase and resell the original Developer/Sponsors' unsold Condominium Apartments.

I am referring to sophisticated Investors with available cash, who purchase large groups of "Unsold Condominium Apartments" from the original Developer/Sponsors, for a forty-five to fifty-five percent discount from the Sponsor's original retail pricing.

This is where the money was made before and this is where the money will be made again. The Bulk Purchase Owner will reduce the "market/retail price" of the individual Condominium Apartments by about twenty to twenty-five percent. Thereafter, that same Bulk Purchase Owner will resell the individual, reduced price Condominium apartments, within a twelve-month period or less.

As an example; The purchase of a group of unsold Condominium Apartments for 50% of the original retail sales price, together with a mortgage loan to finance that purchase in the amount of approximately seventy-five percent of the Bulk Purchase Owner's 50% discounted purchase price, will require the Bulk Purchase Owner to invest approximately 25% of the discounted purchase price but in reality, 12.5% of the original retail sales price.

Thereafter, the Bulk Purchase Owner, will sell each individual Condominium Apartment for a "bargain amount," to a Retail User/Buyer. That bargain amount may be as much as 25% less than the original retail sales price offered by the Developer/Sponsor. The Retail Buyer saves a significant amount on the purchase and the Bulk Purchase Owner will at least double the cash investment within approximately twelve months or less.

Bulk purchasing of unsold Condominium apartments at significant discounts ranging from 45% – 50% off the retail market price, followed by the resale of those same specific Condominium apartments at discounts of approximately 25% off the retail market price, is the single most influential way of "interrupting" absorption rates in overbuilt areas such as New York and Florida.

Bank lending restrictions on lowering prices, occur because the collateral value of those lowered unit prices may present ratio (loan to value) problems for the lender. This in turn causes the lender to increase reserves to protect the lender's own equity position and may in fact cause any other loans which the lender has in the area, to also be written down and additional reserves held. The Borrower/Developer/Sponsor is caught within the sales price restrictions and unable to extricate the collateral from the development/conversion loan, unless a "bulk sale" is completed.

This is not a trick! This is common sense, together with the expertise to know and understand the demographic matching of each specific area. When this expertise and experience is combined with a Developer/Sponsor who continues to own unsold apartments for any extended period of time, sparks fly, bells ring and immediate "cash" to be paid by the Bulk Purchase Owner is a "can't refuse" inducement. **We're Ready! Guterman Real Estate Partners-47, LLC. "www.thefund-47.com"**

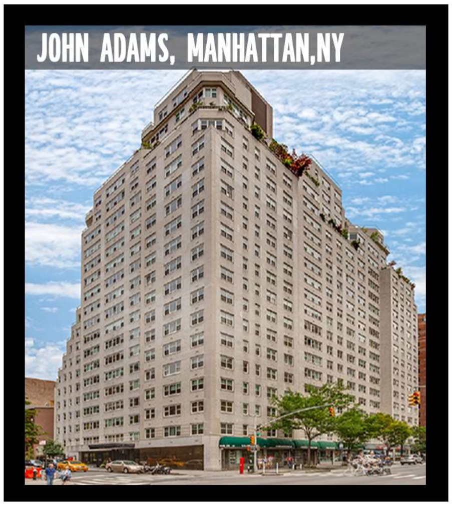
Three of the hundreds of "prime" examples of exactly why we are confident, are illustrated here by projects separated and uninfluenced by each other and are easily found in Manhattan, Atlantic City and South Florida.

I will discuss each one separately for ease of understanding.

Manhattan now stands as the world class example of condominium developments and conversions that should never have been built or filed. Those built or still under construction are the "shining lights" in the industry of shooting craps for the result, in order to obtain construction and development loans. Why are the loans so important? Because the use of the "first draw" of these loans is generally unaccountable and of course, tax deferred, because it is a loan.

My firm's own extensive Condominium and Cooperative experience (16,028 apartments, plus offices and retail space) including 12,921 apartments in 21 buildings converted to cooperative or condominium ownership housing in New York. Of this number, approximately 8,000 are considered luxury cooperative and condominium apartments and are located in Manhattan. In addition to our New York conversions, we have developed and or converted an additional nine properties containing 3,107 apartments to condominium ownership in nine other states.

With our decades of both New York and Manhattan expertise and experience, as well as our national experience, today's markets tell us loud and clear that nothing in the demographics research, supports the "dream like" pricing of this new and especially newest, Manhattan luxury Condominium housing.



Additionally, with the dollar's strength gaining steam daily, the pricing in areas like Manhattan and South Florida will have to be continuously lowered (if the lenders allow) to attract international purchasers.

However, since the majority of the Luxury Condominium Apartments in New York are still purchased by Americans, it's simply a matter of financial survival for the developers, combined with their own individual ability to continue to "live" into the next few decades, to finally match the current supply with some sort of demand AND matching financial ability.

I am now seeing tacit acknowledgements of still unspoken but easily evident real estate condominium development and conversion "Disasters," which are taking place right before our eyes. The most obvious potential example was the subject of a current article dated January 17, 2018, in the January Issue of The Real Deal magazine.

The property, which shall remain un-named by me, has received a development and construction loan in the amount of $1.14Bn, which is 28.5% of the sellout price and approximately 49.5% of what I estimate to be the total cost ($2.3Bn) to deliver this project.

My simple question is, where is the additional $1.16Bn+- coming from.

The company mentioned in the article, had an apparent issue with insufficient funds during the third quarter of 2018, to support last year's interest payments on its general obligation Bonds. The "word on the Street" was that the company might be actively liquidating properties.

Further, why was the property being developed at all, when another similar property located in the same general area and developed by the same Sponsor was seeing less than impressive numbers of sales?

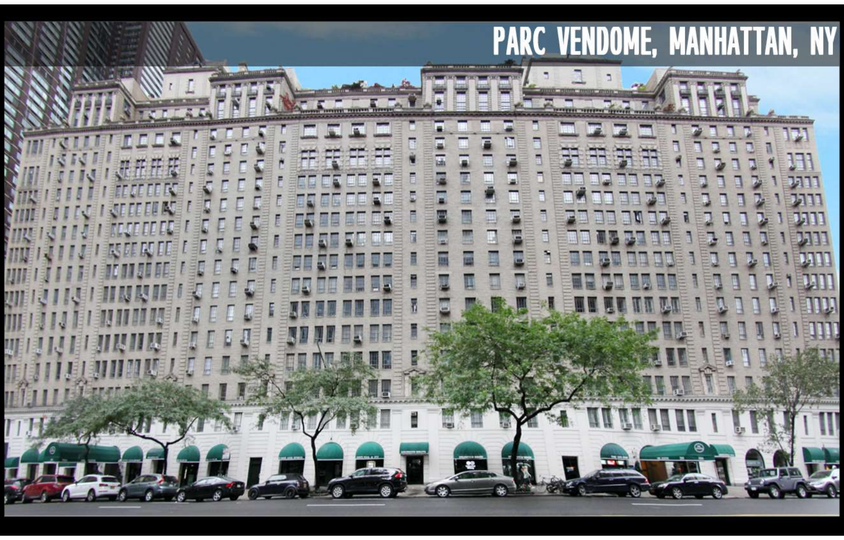
I sincerely believe that a significant portion of the first draw for this latest property, went to pay Bondholders of publicly issued debt. Based on my own experience, I don't believe that the development loan from the lender will cover the significant development costs for this property. When 50% of a broker's sales commission is paid up front, multi-year maintenance concessions are actively offered and the deposit may be lowered just to get a contract, the trouble is already forecast.

The Property discussed in The Real Deal Article, has 179 apartments with 18 of the apartments priced above $60MM and the significant percentage of the balance, priced over $30MM.

We know that at the end of 2018, there were more than 200 condominiums and cooperatives in Manhattan listed for sale for $20MM or more and that the average sales price of apartments at the Property, setting aside a number of small efficiency apartments, is approximately $30MM.

Public information discloses that approximately 4 apartments per month that are included in the 200 high price luxury apartments in Manhattan listed for sale at prices over $20MM are sold.

Therefore, the current absorption of only the existing apartments actively on the market for sale, will require over forty-eight months, or four years to be absorbed and those sales completed. This absorption rate of high price luxury apartments in Manhattan, is without the addition of the 179 apartments or any other new apartments coming on line.



PARC VENDOME, MANHATTAN, NY

Additionally, there is a "minimum sales" provision in the loan documents of this particular Property, that states that the Sponsor must sell a minimum of $500MM (12% of the total retail sales price) within three years of the loan date, in order avoid default. Assuming the Sponsor successfully sells apartments totaling the twelve (12%) percent, then what? Twelve (12%) percent every three years or so?

When this specific building comes onto the market and based on the current sales per month of similar (aside from height) condominium apartments in the Manhattan market, the average supply of this same product absence height, will increase to approximately 92.4 months or 7.7 years to absorb the current inventory, including just these 179 condominium apartments alone, without any other apartments coming on line.

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Now, let's talk about South Florida, the Dade County and Broward County areas.

There is a very old saying that applies to South Florida like a hand fits into a perfect glove. "Give a builder a mortgage and the builder will build in the desert".

Every few years, the builders of South Florida, prove it again and again. They never stop and it never fails. You can depend on them! And....

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Some Examples in Florida:

Aventura
248 active listings
5 sales per month
47.5 months average supply

Sunny Isles Beach
628 active listings
11.3 sales per month
55.5 months of average supply

Coconut Grove
50 active listings
1.1 sales per month
45 months of average supply

Fort Lauderdale and Fort Lauderdale Beach
223 active listings
13.2 sales per month
17 months of average supply

The above is pragmatic reality and reflects just a few existing examples in Florida.

To make this White Paper even more compelling, I'm going to give you another example of a current property located on the beach in New Jersey, for which I am currently negotiating to execute a Contract to Purchase.

THE FOLLOWING PROPERTY IS WITHIN A FORMALLY DESIGNATED "OPPORTUNITY ZONE"

The property is a twenty-acre parcel located within the South Inlet Opportunity Zone part of Atlantic City and containing the six-year old, 6,200,000 square foot Ocean Resort Casino, with 1,399 existing rooms including 134 suites, all currently in service. Additionally, there is a currently operating 132,000 square foot gaming and casino area, a fully operating spa with 32 treatment rooms, 19 operating restaurants and bars, 75,000 square feet of retail space, 160,000 square feet of flexible convention space with 20 meeting rooms, six pools including a

INTERNATIONAL BUILDING, FORT LAUDERDALE, FL

HARRISON PARK TOWERS, EAST ORANGE, NJ

CRYDER POINT, BEECHURST, NY

42,000 gallon salt water indoor/outdoor pool, a 140,000 square foot private pool deck with 13 cabanas and a parking structure holding approximately 7,000 cars.

AND.... five hundred additional uncompleted rooms and suites on twelve floors, which have all of the structural work and elevators finished and require the interior installation of hallways and rooms including non-structural walls, doors, furnishings, carpeting and appliances.

A review of the floor plates of the top 12 unfinished floors which hold the five hundred to be finished rooms, indicate that the rooms and suites can be converted into approximately 165 to 180 condominium suites/apartments each containing approximately 1,000 square feet, with minimal structural additions.

A pure net lease is currently also being negotiated with a major casino resort operator. It is anticipated that the lease will be signed contemporaneously with the closing of the acquisition and that a new, increased mortgage (including a condominium development/construction loan, will be put on the property simultaneously with the Closing of the acquisition.

The original cost of the property was $2.2Bn and bought out of bankruptcy in 2015.

The contract price being negotiated for the total property is approximately $375MM, subject to a financeable mortgage in the amount of $175MM. A deposit of $50MM is required at closing.

All of the potential transactions shown above, as well as others which have been submitted to our firm, substantially illustrate the reasons why we formed Guterman Real Estate Partners-47, LLC.

Our strategy is fully set-forth in the Summary portion of the Guterman Real Estate Partners-47, (www.thefund-47.com) Offering Memorandum.

Our successful and verifiable experience in development of Condominiums and conversion of rental properties to Condominiums and Cooperatives, began in 1978. 100% of the condominiums we have developed have been successful and 100% of the rental properties we have converted to condominiums and cooperatives, have been successfully converted, Period. There are no exceptions!

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If you have questions, please go to the Contact page on the Guterman Partners' internet site and click on Ask Gerry a Question.

WHY GUTERMAN PARTNERS? BECAUSE "EXPERIENCE IS EVERYTHING"

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