

From: Devon Archer [REDACTED]  
Subject: Re: Chelsea Deal: updated version  
Date: April 13, 2014 at 3:52 PM  
To: Hunter Biden [REDACTED]



Lots...took many into account on Kiev call today. Written response this evening.

Devon Archer  
[REDACTED]

On Apr 13, 2014, at 3:46 PM, Hunter Biden <[REDACTED]> wrote:

Did you get my longer email on Uk from last night- any thoughts?

RHB  
[REDACTED]

On Apr 13, 2014, at 11:40 AM, Devon Archer [REDACTED] wrote:

Seller is flaking. Asked for 90 days. We made a \$41mm offer. Yelena confirmed green light to fund deposit.

Just spent two hours on the phone with Kiev. I am confident at this point this is a good, if not life changing, deal if the Uk doesn't collapse in the meantime.

Devon Archer  
[REDACTED]

On Apr 13, 2014, at 11:47 AM, Hunter Biden [REDACTED] wrote:

Any news on this?

RHB  
[REDACTED]

On Apr 5, 2014, at 10:56 AM, Devon Archer [REDACTED] wrote:

Begin forwarded message:

**From:** "Devon Archer"  
**To:** [REDACTED]  
**Subject:** Chelsea Deal: updated version

Dear Yelena,

Attached is a preliminary investment memorandum for the off-market opportunity we are actively pursuing and preliminarily discussed yesterday. The plan would be to build a high-end 12-story 57,000 sf residential condo building in the heart of Chelsea on 21st between 6th Ave and 7th Ave. The site is currently a two-story parking garage. The building will be demolished to make way for the new building that will be built slab on grade, with piles driven into bedrock to support the foundation. The development is as-of-right based off the current zoning, and no zoning variances are required.

The condos will have ceiling heights averaging 10' with penthouse ceilings approaching 13'. Many apartments will have outdoor space in the form of yards, balconies or terraces. Amenities will include 24 hr doorman, tenants' library opening to a 600 sf landscaped garden and 2,700 sf gym with 60' pool. Approximately 55,000 sf of apartments will be for sale with approx 2,000 sf of sellable storage space.

The building will feature a contemporary, yet classic look and the condos will have the highest level of fit and finish. The lobby and common areas will be designed to appeal to the young couples/families that are looking to establish their homes in the hip, downtown neighborhood of Chelsea. The neighborhood has seen an explosion of residential and commercial growth since the inception of the High Line Park in 2009. The Meatpacking District, Chelsea Market, Chelsea Piers and Google's 2 million sf NYC headquarters are all within close proximity of the Property, as well access to some of Manhattan's best restaurants, shopping and nightlife. The property's location has excellent subway access with three different metro lines in a 2 to 5 block radius of the property.

Based on current comparables our base case sales scenario exits at an average of \$2,341 psf (on an individual basis this varies by floor by floor- see the massing study in attached investment memo). This delivers a 32.4% gross IRR over a 36 month period and a gross equity multiple of 2.3X. I have been conservative in our budgeting and interest rate assumptions, and feel that we may have room here to improve. From a downside perspective the break-even on equity is \$1,601 psf, which would indicate a 32% drop from current market and base-case.

The owner is elderly, he operates a two story parking garage and says he wants to sell at \$43 million (which is the price we have assumed). Price equates to \$700 per build able square foot (or 744 per net sellable sf), which is reasonable. We will need to get an offer early next week and then we'll sit down with him to discuss further. We'll likely need \$1.2 million to put

need to get an offer early next week and then we'll sit down with him to discuss further. We'll likely need \$4.5 million to put up hard upon signing a purchase and sale agreement and balance at close. We can then either close all cash or take out an acquisition loan of approximately \$15 MM. Since this is off-market, we always run the chance that the seller changes his mind and decides not to sell or to take it to market, but at this point we think it is best to continue to pursue and try to tie up in contract. I do realize this is quick but it's often the case with off market deals in NYC.

Look forward to speaking further about this.

Thanks.

All the best, Devon

<142 West 21st St Condo\_Investment Memo.pdf>