

Company name IA Capital Structures (Ireland) plc
Headline Notice to Noteholders of Series 113

10 July 2019

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

THIS NOTICE CONTAINS IMPORTANT INFORMATION OF INTEREST TO THE OWNERS OF THE NOTES. IF APPLICABLE, ALL DEPOSITARIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO PASS THIS NOTICE TO SUCH OWNERS IN A TIMELY MANNER.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial, legal or other advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriately authorised independent financial adviser.

If you have recently sold or otherwise transferred your entire holding(s) of the Notes referred to below, you should immediately forward this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE FROM THE ISSUER TO NOTEHOLDERS

IA Capital Structures (Ireland) plc
(the “**Issuer**”)

Prodigy Network 331 Park Avenue South Accrual (Series 113) Notes due 2021
ISIN: XS1609301798 COMMON CODE: 160930179
(the “**Notes**” or the “**Series**” and the holders thereof the “**Noteholders**”)

Reference is made to the investor letter from Prodigy Network LLC (“**Prodigy**”) (the “**Investor Notice**”), appended hereto as Annex.

Capitalised terms used but not otherwise defined in this notice shall have the meanings ascribed to them in the Series Memorandum in relation to the Notes dated 16 May 2017 and the Investor Notice.

BACKGROUND

The Issuer hereby delivers to the Noteholders the attached Investor Notice it has received from Prodigy.

PROPOSED ACTION

The Issuer proposes no course of action at this time. This notice is for informational purposes only and the Issuer expresses no opinion on the information contained in the Investor Notice.

Further Information

For further information please contact the investment manager at investorrelations@prodigynetwork.com

ANNEX – THE INVESTOR NOTICE

PRODIGY NETWORK

Dear Investors,

On behalf of Prodigy Network, LLC, the investment manager of the project, we are writing to inform you of the current status of your investment in the 331 Park Ave S. Series of Prodigy Shorewood Master REP Fund, LLC for the property located at 331 Park Avenue South in Manhattan (the “Property”).

This communication is the first in a series to come, where we will share the strategy for the Property in response to the current challenges facing the project. We plan to update you in this format as the situation demands, to keep you informed and apprised of the work done and the options being considered and implemented by, the different stakeholders in the project.

Market

With 2018 Manhattan office leasing volume surpassing 32.4 million square feet, its highest results since 2000, and the investment sales market finishing 35% greater than 2017 with nearly \$50 billion of closed transactions in the city, we remain confident in New York City real estate.¹² Since we opened the Property in Fall 2017, the local coworking market continues to be competitive. Ahead of an upcoming initial public offering, WeWork has opened over 50 locations in New York City and in our neighborhood, our Property constantly competes for members with other coworking operators including Knotel, NeueHouse and The Wing. As of last year, there are over 10.5 million square feet of flexible workspace in New York, which represents a 47% increase from 2016.³

Opening & Credit Extension

While we are thrilled to have opened the doors of The Assemblage Park a few weeks ago with several leases already signed, we must inform you that semi-annual preferred return payments will not begin upon opening but instead, will start once the Property stabilizes and covers debt service. At this time, we have considered it prudent to pay down the entirety of the \$15 million mezzanine loan from Vanbarton Group (the “Mezz Lender”), which carried an interest rate of LIBOR + 12.5%. The Mezz Lender’s loan was paid through utilizing cash reserves and increasing Arbor Realty Trust’s (the “Senior Lender”) debt exposure on the Property. On July 2nd 2019, the Senior Lender’s exposure increased from \$34 million to \$41 million through issuing a new \$7 million mezzanine loan (“Mezz Loan II”) to the Property which carries a 12% interest rate. Mezz Loan II matures in six months on January 2nd, 2020 and includes one six-month option to extend the maturity date to July 2, 2020. Furthermore, on June 10 2019, we exercised the one-year extension option for the initial \$34 million senior loan (“Senior Loan”) which is now scheduled to mature on June 10, 2020. For reference, the Senior Loan carries an interest rate of LIBOR + 6%. These aforementioned actions result in a reduction of the Property’s annual debt service obligation by approximately \$1.4 million.

¹<https://therealdeal.com/2019/01/21/manhattans-hotel-market-emerges-from-3-year-slump/>

²<https://therealdeal.com/2019/01/16/nyc-i-sales-hit-nearly-50b-in-2018-breaking-2-year-slump/>

³<https://www.colliers.com/-/media/files/apac/japan/flexible-workspace-report-us-english.pdf>

PRODIGY NETWORK

As investment manager, we must act prudently to protect your investment. We intend to engage Newmark Knight Frank as restructuring advisors with a scope of services including but not limited to: valuation services, agent leasing, due diligence, capital markets, recapitalization analysis, debt and structured finance. Newmark is one of the world's leading and most trusted commercial real estate advisory firms. Together with London-based partner Knight Frank, 16,000 professionals operate from over 430 offices on 6 continents.

Upon engagement of Newmark, your collaboration will be required to ensure an efficient process that optimizes the recovery of your investment capital.

In the next few weeks, we intend to deliver to you a detailed update on the proposed strategic plan so you can make an educated decision regarding the future of the project.

Please be aware that the alternatives include, but are not limited to:

- Additional capital contributions from you to reduce the debt in the asset,
- Additional leverage on the Property from third-party sources to get sufficient time to increase revenue and/or
- A disposition of the Property at a loss.

Communication

If you are a REP investor, the most efficient way to get your questions answered as quickly and accurately as possible, is to please submit via email to 331pas@prodigynetwork.com. Your documents can be found on your dashboard which can be accessed via logging into www.prodigynetwork.com with the email address used when you signed your subscription agreement.

Bear in mind that if you are a FLEX investor, all documentation relevant to your investment can be accessed via Bloomberg or by contacting your custodian. You can also email any questions to 331pas@prodigynetwork.com.

We will be gathering all questions and addressing the key inquiries to respond to you as soon as possible. This is the best method to ensure transparency, accuracy, and timeliness of the information.

We will keep you regularly informed on the status of the aforementioned actions as well as strategy updates. Our intention is that these measures will benefit the interest of the investors.

Best,



Rodrigo Nino
Prodigy Network, LLC