

August 31, 2016

To: NASDAQ Capital Market  
Depository Trust & Clearing Corporation  
Computershare, Inc.

From: Gyrodyne, LLC (“Gyrodyne”; Nasdaq: GYRO)  
CUSIP: 403820103

Re: Qualified Notice Pursuant to U.S. Treasury Regulation §1.1446-4 for Special Dividend  
Declaration Date: August 29, 2016  
Record Date: September 9, 2016  
Payment Date: September 15, 2016  
**Distribution per Share: \$1.50**

#### **U.S. FEDERAL INCOME TAX WITHHOLDING IMPLICATIONS OF SPECIAL DIVIDEND**

Pursuant to U.S. Treasury Regulation §1.1446-4, this statement is intended to be a qualified notice to nominees with respect to the special dividend of \$1.50 per share declared by Gyrodyne on August 29, 2016 (the “Special Dividend”). In accordance therewith, each nominee (other than Gyrodyne) shall be treated as a withholding agent to the extent of the Special Dividend. Accordingly, each nominee shall be responsible for withholding on the distribution of the Special Dividend received by it on behalf of non-U.S. holders of Gyrodyne common shares of limited liability company interests (each, a “non-U.S. Holder”) in accordance with U.S. federal income tax law. The per share distribution components of the Special Dividend are as follows:

\$0.02	U.S. Fixed, Determinable, Annual, Periodical Income
\$0.33	U.S. Effectively Connected Income
<u>\$1.15</u>	Return of Capital
\$1.50	Total Distribution per Share <sup>1</sup>

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<sup>1</sup> Note that a non-U.S. Holder’s allocable share of Gyrodyne’s taxable income may differ from its allocable share of the Special Dividend.