



STELLA
SAN TAN VALLEY, ARIZONA

ThompsonThrift.com

THOMPSON THRIFT

2026 Multifamily Development, LP

CONFIDENTIAL OFFERING MEMORANDUM

OCTOBER 2025

CONFIDENTIAL AND PROPRIETARY



Paul Thrift
CHIEF EXECUTIVE OFFICER
812-242-1151
pthrift@thompsonthrift.com

Dan Sink
**PRESIDENT AND CHIEF
FINANCIAL OFFICER**
317-514-1171
dsink@thompsonthrift.com

Josh Purvis
MANAGING PARTNER
317-454-8021
jpurvis@thompsonthrift.com

Brian Southworth
**PARTNER AND SENIOR VICE
PRESIDENT, ACQUISITIONS**
317-454-8027
bsouthworth@thompsonthrift.com

Greg Fedorinchik
**SENIOR VICE PRESIDENT,
EQUITY CAPITAL MARKETS**
463-274-4334
gfedorinchik@thompsonthrift.com

Carrie Thrift LaFay
**VICE PRESIDENT,
EQUITY CAPITAL MARKETS**
317-454-8016
cthrift@thompsonthrift.com

Kyle Wallace
**VICE PRESIDENT,
DEVELOPMENT CAPITAL**
317-671-7240
kwallace@thompsonthrift.com

Rob Lodge
**VICE PRESIDENT,
DEVELOPMENT CAPITAL**
317-671-7220
rlodge@thompsonthrift.com

Evan Pickering
**VICE PRESIDENT,
DEVELOPMENT CAPITAL**
463-274-3831
epickering@thompsonthrift.com

Joe Monaghan
**VICE PRESIDENT,
DEVELOPMENT CAPITAL**
463-237-3278
jmonaghan@thompsonthrift.com



Participate in a Diversified
Multifamily Development Portfolio
with an **Experienced Developer.**

2025 **NMHC** **50**
TOP DEVELOPER

#15 APARTMENT
DEVELOPER

2025 **NMHC** **50**
TOP BUILDER

#19 CONSTRUCTION
COMPANY



THE PULLMAN
ATLANTA, GEORGIA

Table of Contents

PARTNERSHIP OVERVIEW

Disclaimer.....	2
Real Estate Opportunity.....	4
A Real Estate Opportunity Backed by Experience.....	5
Identified Properties.....	7
Executive Summary.....	9
Estimated Partnership Budget and Property Performance Metrics.....	13
Notes to Estimated Partnership Budget and Property Performance Metrics.....	15
Property-level Related Services.....	17
Related Party Transactions.....	18
Additional Terms.....	19

WHO WE ARE

A Solid Foundation.....	24
Committed to Excellence Since 1986.....	25
Residential Development Statistics.....	26
Multi-Project Development Partnerships.....	28
Historical Investment Returns Residential Projects Sold.....	29

DEVELOPMENT STRATEGY

Strategic Expertise for Superior Outcomes.....	32
Market Selection Process.....	33
Fundamental Site Criteria.....	34
Product Types.....	35
Real Estate Investment Approval Process.....	36
Multifamily Development Lifecycle.....	37

IDENTIFIED PROPERTIES

GALLATIN, TENNESSEE.....	40
Property Highlights.....	41
Market Aerial.....	42
Major Employers.....	43
Nearby Retail.....	44
Site Plan.....	45
Estimated Financial Summary.....	46
DACULA, GEORGIA.....	48
Property Highlights.....	49
Market Aerial.....	50
Major Employers.....	51
Nearby Retail.....	52
Site Plan.....	53
Estimated Financial Summary.....	54
RENO, NEVADA.....	56
Property Highlights.....	57
Market Aerial.....	58
Major Employers.....	59
Nearby Retail.....	60
Site Plan.....	61
Estimated Financial Summary.....	62
KNOXVILLE, TENNESSEE.....	64
Property Highlights.....	65
Market Aerial.....	66
Major Employers.....	67
Nearby Retail.....	68
Site Plan.....	69
Estimated Financial Summary.....	70

NORTH CHARLESTON, SOUTH CAROLINA..... 72

Property Highlights.....	73
Market Aerial.....	74
Major Employers.....	75
Nearby Retail.....	76
Site Plan.....	77
Estimated Financial Summary.....	78

NAMPA, IDAHO..... 80

Property Highlights.....	81
Market Aerial.....	82
Major Employers.....	83
Nearby Retail.....	84
Site Plan.....	85
Estimated Financial Summary.....	86

EXHIBITS

Thompson Thrift 2026 Multifamily Development, LP Valuation Policy (Exhibit A).....	89
Thompson Thrift 2026 Multifamily Development, LP Transfer Policy (Exhibit B).....	91
Placement Agent Offering Disclosure (Exhibit C).....	93

FACTORING THE RISK

Factoring the Risk.....	96
-------------------------	----

Partnership Overview

Disclaimer

THIS CONFIDENTIAL OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY INTERESTS IN ANY STATE OR JURISDICTION IN WHICH THE OFFER OR SALE OF THE INTERESTS WOULD BE PROHIBITED OR TO ANY PERSON WHO IS NOT AN ACCREDITED INVESTOR. THE INTERESTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THESE AUTHORITIES REVIEWED OR APPROVED THE MERITS OF THIS OFFERING OR THE ADEQUACY OF THIS CONFIDENTIAL OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. PRIVATE REAL ESTATE DEVELOPMENTS ARE SPECULATIVE AND ILLIQUID AND CARRY THE RISK OF SUBSTANTIAL LOSS. SECURITIES OFFERED THROUGH NORTH CAPITAL PRIVATE SECURITIES CORPORATION, MEMBER FINRA/SIPC, AS PLACEMENT AGENT. THE GENERAL PARTNER (OR AN AFFILIATE THEREOF), AT ITS OWN EXPENSE, MAY ENTER INTO AGREEMENTS WITH SEC-REGISTERED BROKER-DEALERS THAT ARE MEMBERS OF FINRA/SIPC TO INTRODUCE POTENTIAL LIMITED PARTNERS TO THIS OFFERING.

Thompson Thrift properties shown throughout this Confidential Offering Memorandum are not owned by the Partnership and are not part of this Offering.



STANDARD441
LADY LAKE, FLORIDA

Real Estate Opportunity

Thompson Thrift is pleased to offer its valued partners the opportunity to participate in the Thompson Thrift 2026 Multifamily Development, LP, a Delaware limited partnership (the “Partnership”), that will acquire and underwrite multiple apartment developments that are projected to start construction beginning on or after January 2026. This multi-project Partnership offers a unique opportunity to invest in geographically diverse multifamily real estate developments, with Thompson Thrift as the developer, across multiple dynamic growth markets.

We are currently seeking approximately \$230 million in aggregate capital commitments for limited partnership interests in the Partnership.

We deeply value our partners and appreciate the confidence you place in us. For the past 39 years, our track record reflects our unwavering commitment to pursuing high-quality real estate developments, achieved with the utmost integrity and a history of delivering for our real estate partners. We are pleased to offer you, our trusted partners, this opportunity to participate in our real estate development projects.



Paul Thrift, CEO



UPLAND FLATS
COLORADO SPRINGS, COLORADO

A Real Estate Opportunity Backed By Experience

Accredited investors can participate in a private real estate partnership funding multiple Thompson Thrift multifamily development projects across suburban growth markets. Construction is expected to begin on or after January 2026.

KEY HIGHLIGHTS:

- **Experienced partner with a 39-year track record of successful real estate development and delivering strong results.**
- **Diversified portfolio across markets and projects.**
- **Experienced team with a disciplined, repeatable development strategy.**
- **Identified pipeline of upcoming multifamily opportunities.**
- **Partner directly with the developer, and avoid typical PE Fund's duplicative management fees and promote.**
- **Real asset exposure with potential inflation protection.**
- **Capital appreciation strategy focused on value creation through ground-up development.**

MULTIFAMILY MARKET OUTLOOK: THE OPPORTUNITY IS NOW



SUPPLY IS DECREASING:

After years of elevated development activity, new multifamily starts are at their lowest in over a decade, paving the way for a more favorable environment for properties entering the market in 2026, 2027, and 2028.



DEMAND REMAINS STRONG:

Population growth, household formation, and lifestyle preferences continue to drive strong demand for rental housing. Absorption rates have remained strong, outpacing new deliveries and exceeding the 25-year historical average.



HOUSING AFFORDABILITY TRENDS FAVOR MULTIFAMILY:

The average cost of homeownership now significantly exceeds the average cost of renting, reaching a record high. This growing affordability gap continues to drive strong demand for multifamily housing.



Scan or click here
to view Thompson Thrift
Market Insights.



SLATE AT FISHERS DISTRICT
FISHERS, INDIANA

Identified Properties

IDENTIFIED PROPERTIES FOR THE PARTNERSHIP ARE UNDER CONTRACT AND IN VARIOUS STAGES OF THE DEVELOPMENT PROCESS INCLUDING DUE DILIGENCE, DESIGN, AND ENTITLEMENT.



Properties shown in this Memorandum have been identified by the General Partner as potential sites for multifamily developments to be acquired from Thompson Thrift and/or third-party sellers, and then developed and sold or transferred, by the Partnership (referred to as "Real Estate Developments"). Identified Properties are subject to replacement at the discretion of the Partnership's General Partner, and additional Properties may be added to the Partnership to the extent that the General Partner believes that a new or replacement Property will satisfy or exceed the Evaluation Criteria set forth in the Valuation Policy attached hereto as Exhibit A. Identified Properties and/or any additional or replacement Property will be expected to meet the Property Evaluation Criteria set forth in the Valuation Policy at the time capital is called by the Partnership to acquire the Property.



1 Gallatin, TN
NASHVILLE MSA



2 Dacula, GA
ATLANTA MSA



3 Reno, NV
RENO MSA



4 Knoxville, TN
KNOXVILLE MSA



5 North Charleston, South Carolina
CHARLESTON MSA



6 Nampa, ID
BOISE MSA

All property renderings are conceptual and subject to change.

Executive Summary

This Executive Summary summarizes various features of the Partnership, certain provisions of the Partnership's Limited Partnership Agreement, as further amended and restated (the "Partnership Agreement") and contractual agreements relating to the Partnership, and applicable statutes, rules and regulations. This Summary is intended to be brief and does not provide comprehensive descriptions or explanations of the topics it covers.

This Summary is qualified in its entirety by the full text of the Partnership Agreement, the Confidential Offering Memorandum as further revised and/or supplemented (the "Memorandum") of which this Summary constitutes a part, the Subscription Agreement and other related documents (collectively, the "Offering Documents"), which are based on this Summary, but which will govern your interest in the Partnership. You should read the Offering Documents in their entirety for a more complete understanding of the Partnership's terms and its offering of limited partnership interests (the "Interests"). To the extent the Offering Documents describe rights or obligations of limited partners (the "Limited Partners") that differ from those described in this Summary, the Offering Documents will control.

- The Partnership** Thompson Thrift 2026 Multifamily Development, LP, a Delaware limited partnership (the "Partnership").
- General Partner** Thompson Thrift 2026 Multifamily Development GP, LLC, a Delaware limited liability company (the "General Partner" or "GP"). The GP will provide real estate asset management services pursuant to the terms of the Partnership Agreement. The GP is under common control with Thompson Thrift Development, Inc. (collectively with its affiliated companies, "Thompson Thrift" or "TT").
- Strategy** The Partnership's objective is capital appreciation. To achieve this, the Partnership will pursue new real estate development projects (each a "Property") using a build-lease-sell model. The Partnership will underwrite Properties with the objective of generating distributions from the sale or transfer of a Property within an average of 36 months from the date of closing on construction financing, with a net annualized return to the Partners of 16% to 18%; provided, however, the timing of realizations from the sale of the multifamily developments depends on prevailing market conditions, and during periods of unfavorable market conditions, the properties may be recapitalized and held for longer periods of time, up to the end of the Partnership's term. The Partnership will focus on constructing a geographically diversified portfolio of Class A multifamily developments across the United States, with each project tailored to meet existing area market values and demands.

The Partnership will not underwrite and develop more than twelve (12) Properties into multifamily developments (each a "Real Estate Development") without the approval of the Limited Partners' Advisory Committee (described below). The Partnership will seek to develop, complete, and exit each Real Estate Development, through disposition or transfer to a Transfer Holdco (described below), within an average of 36 months from the date of closing on construction financing, although the Partnership is permitted to refinance and continue to hold and manage Real Estate Developments during the Partnership's term (described below). The Partnership expects to hold Real Estate Developments through wholly-owned limited liability companies ("Property Holdcos").

Leverage..... The Partnership expects to incur leverage to acquire Properties typically in the range of 60-65% of the cost of each Property, subject to a limit not to exceed 80% of the cost of any single Property or 75% of the aggregate cost of all Properties (the “Debt Limit”) without the approval of the Advisory Committee (described below). The Partnership and/or any Property Holdco could enter into financing arrangements with any bank, insurance company or other financial institution lender, including the GP or Thompson Thrift, to acquire and underwrite Properties and to pay Partnership Expenses (defined below). Financing arrangements may include any type of mortgage, line of credit, mezzanine debt, or preferred equity arrangements with lenders that designate the GP or an Affiliate as the party in control of a Property on behalf of the Partnership prior to any event of default, subject to the Debt Limit. Thompson Thrift may secure an umbrella credit facility (the “Credit Facility”) on behalf of multiple real estate partnerships sponsored by Thompson Thrift, including the Partnership. It is expected that any credit extended to the Partnership would be primarily secured by uncalled Capital Commitments. The General Partner will not pledge Partnership assets as collateral under the Credit Facility unless amounts are drawn down for the benefit of the Partnership. Please see **Factoring the Risks - Risks Related to the Partnership - Subscription Line of Credit; Partnership-Level Borrowing**.

Target Partnership Size..... The Partnership is seeking approximately \$230 million in total capital commitments (“Capital Commitments”), consisting of the GP Commitment (described below) with the balance of commitments from those who subscribe for limited partnership interests (the “Interests”) as Limited Partners of the Partnership. The Limited Partners and General Partner are referred to as the “Partners”. Total Capital Commitments by all Partners to the Partnership will not exceed \$500 million.

GP Commitment..... Thompson Thrift, its affiliates and related persons will, at a minimum, commit \$10,000,000 or 5% of the aggregate Capital Commitments (inclusive of the GP Commitment), whichever is less, in their roles as Limited Partners of the Partnership (referred to as “Affiliate Partners”). The GP Commitment may include Affiliate Partners’ capital contributions to fund a portion of the equity required for each Real Estate Development, and in-kind contributions of Warehoused Properties as permitted under the Partnership Agreement.

Minimum Commitment..... \$500,000, although the GP may accept lesser commitments from Limited Partners in its discretion.

Closing Date..... The Partnership anticipates holding its initial closing on or after January 1, 2026 (the “Initial Closing Date”), and it could continue to accept additional Capital Commitments through the sixth-month anniversary of the Initial Closing Date (the “Final Closing”); provided, that the General Partner may extend such period by up to six (6) months. The “Final Closing Date” means the date of the Final Closing.

Commitment Period..... The Partnership will call capital to acquire and develop the Properties, beginning on the Initial Closing Date and ending on the earliest of (a) the date on which all Capital Commitments have been drawn or committed under existing business plans, and (b) the 18-month anniversary of the Final Closing Date; unless extended by the GP to the 24-month anniversary of the Final Closing Date.

Partnership Term..... The Partnership’s term will end after all Properties and Real Estate Developments have been sold, exited or otherwise transferred to a Transfer Holdco, not to exceed seven (7) years from the date of the Final Closing Date; provided that the GP, in its sole discretion, may extend the term for two (2) successive one-year periods or longer with the approval of the Advisory Committee (as described below) in an attempt to maximize the proceeds received upon the disposition of any remaining Properties or Real Estate Developments.

- Capital Calls** Limited Partners will make multiple capital contributions (each a “Capital Contribution”) upon notice from the GP (each, a “Capital Call”). The GP will provide each Limited Partner with written notice of each Capital Call at least 10 days in advance of the due date. No Limited Partner shall be required to make aggregate Capital Contributions in excess of its commitment.
- During the Commitment Period, the Partnership expects to make Capital Calls to acquire and develop each Property. The Capital Call for each Limited Partner will be prorated based on each Limited Partner’s investment percentage in a Real Estate Development or as otherwise determined by the General Partner in accordance with the Partnership Agreement.
- The Partnership expects to make Capital Calls to pay Partnership Expenses, concurrently with Capital Calls, to acquire and develop each Property. The GP has broad authority to determine the timing and amounts of Capital Calls, and to cause the Partnership to enter into short-term borrowings (or draw down on a line of credit) to reduce the number of Capital Calls to Limited Partners. In connection with a line of credit with a third-party bank or other lender to the Partnership, the Partnership will be required to pledge the Limited Partners’ Capital Commitments as security for the borrowing. The GP expects that any advancement of funds under a short-term line of credit will be repaid no later than 120 days from the date of advancement.
- Debt Guaranty** The GP or Thompson Thrift will provide any debt guaranty to the extent required by the Partnership’s lenders, with no associated fees paid by the Partnership to the GP or Thompson Thrift for providing such guaranty.
- Cost Overrun Guaranty** The GP or Thompson Thrift will guarantee any overrun of certain hard costs to complete the Real Estate Developments by the amount that exceeds the aggregate estimated hard costs as set forth in the development budgets for all Properties at the time of each Property’s construction loan closing; provided, however, that such parties shall not be responsible for any delay or cost overrun incurred as a result of any Force Majeure Events (as defined in the Partnership Agreement). The GP is entitled to offset savings from any hard cost or soft cost line item against cost overruns.
- Warehoused Properties** The General Partner could permit a Limited Partner (including any Affiliate Partner) to contribute in-kind a Property (or equity interests in the development entity of a Property), or cash to acquire and develop a Property, that has been identified for acquisition and development by the Partnership (referred to as “Warehoused Properties”). The contributing Limited Partner (each such Person, a “Contributing Partner”) can elect to receive cash equal to the purchase price of a Property contributed in-kind, and/or an Interest equal solely to the profit (loss), reserves and Partnership Expenses allocated to the Warehoused Property or its Property Holdco by the GP in its discretion. The GP Commitment will include all or a portion of the value of any Warehoused Property or cash contributed by an Affiliate Partner.
- A Contributing Partner will have an Interest and investment percentage that is solely limited to the profits (losses) and expenses of the Warehoused Property, which will reduce the investment percentages of other Limited Partners in that particular Property.
- Related Party Services and Fees** Thompson Thrift will provide development, construction administration, financing, general contractor, property management, IT, legal, asset management, insurance and other services to the Properties as reflected in each Property’s development budget and as permitted under the Partnership Agreement.
- Asset Management Fees** The Partnership will pay, out of each Limited Partner’s capital account, an annual Asset Management Fee for each individual Real Estate Development calculated as the Base Rate multiplied by the average Unreturned Capital Contributions of each Limited Partner during the calendar year. The Asset Management Fee will be paid annually in arrears by the Partnership to the GP, for the period beginning on the due date of the first Capital Call and ending on the earlier of: (i) the date on which the Property is transferred or sold; or (ii) the 42-month anniversary of the Final Closing Date.

The “Base Rate” means, with respect to each Limited Partner:

- 1.00% per annum, if such Limited Partner’s total Capital Commitment is less than \$10,000,000;
- 0.75% per annum, if such Limited Partner’s total Capital Commitment is greater than or equal to \$10,000,000 and less than \$20,000,000; and
- 0.50% if such Limited Partner’s total Capital Commitment is greater than or equal to \$20,000,000.

On or after the Initial Closing Date, the Partnership expects to issue a Capital Call(s) for estimated Partnership Expenses (including Asset Management Fees) expected to be incurred in Years 1 and 2. The Partnership anticipates that it will pay (or reimburse) the GP or Thompson Thrift for additional accrued Asset Management Fees and other Partnership Expenses allocated to a Real Estate Development (or its Property Holdco) out of net proceeds from the sale, transfer, or refinance of such Real Estate Development, prior to distributing net profits to Limited Partners, although Capital Calls for Partnership Expenses, including financing and refinancing expenses, can be made at any time in accordance with the Partnership Agreement.

The GP may waive the Asset Management Fees charged on cash or in-kind contributions by Thompson Thrift and its related persons in their capacity as Limited Partners, and with respect to unreturned contributions of Warehoused Properties. The GP (not the Partnership) may pay a portion of its Asset Management Fees to third party selling agents, or advisers that provide administrative services to Limited Partners.

DistributionsNet distributable cash from the disposition, refinance or transfer of each Real Estate Development (after repayment of outstanding obligations and establishment of reserves) will be distributed as follows:

1st, 100% to the Limited Partners until each receives a return of their Capital Contributions.

2nd, 100% to the Limited Partners until each receives an 8% accrued preferred return on their unreturned capital (which return is not guaranteed).

3rd, 70% to the Limited Partners and 30% to the GP until the Limited Partners have received distributions under this provision and those above equal to a 12% IRR (defined below).

4th, 60% to the Limited Partners and 40% to the GP until the Limited Partners have received distributions under this provision and those above equal to an 18% IRR.

Thereafter, 50% to the Limited Partners and 50% to the GP.

The amounts distributed to the GP above are referred to as the “GP Interest Distribution.”

“IRR” means, with respect to any Limited Partner, the internal rate of return as of the date that any distribution with respect to a Real Estate Development is made to such Limited Partner based on the actual dates that Capital Contributions and distributions were made (or deemed to have been made pursuant to the Partnership Agreement) with respect to such Real Estate Development, without taking into account any federal, state or local taxes owed by the Limited Partner (including any tax withholding or deduction requirements imposed upon the Partnership).

Any cash accumulated prior to the disposition of a Real Estate Development will not be distributed, primarily due to restrictions imposed by lenders, until after the sale or disposition of the Real Estate Development in accordance with the Partnership Agreement.

GP Clawback..... Following the disposition or transfer of the final Real Estate Development by the Partnership, if (a) the Limited Partner has not received, over the life of the Partnership, a return of all of such Limited Partner's Capital Contributions and an aggregate eight percent (8%) preferred return thereon, and (b) the General Partner has received any GP Interest Distribution, then the General Partner will repay GP Interest Distribution to the Limited Partners up to the amount of such over distribution to the General Partner to the extent necessary to return to each Limited Partners their Capital Contribution and the aggregate eight percent (8%) preferred return thereon. In no event will the GP Clawback amount exceed the after-tax amount of total GP Interest Distributions received by the GP.

Advisory Committee..... The General Partner will establish a Limited Partners' advisory committee of the Partnership ("Advisory Committee") consisting of three (3) representatives of Limited Partners designated by the General Partner who have substantial Interests in the Partnership (typically those within the top 10% of Limited Partners as determined by their percentage interests) who are willing to serve, and two (2) additional representatives of Limited Partners designated by the General Partner in its sole discretion; provided that, all Limited Partners designated by the General Partner for representation on the Advisory Committee shall be unaffiliated with the General Partner. The General Partner shall have the right to appoint one (1) representative to serve as a non-voting member of the Advisory Committee. The Advisory Committee will, to the extent requested by the General Partner from time to time, be responsible for (a) reviewing and considering proposed changes to the maximum number of Properties to be developed by the Partnership, or the Partnership's term or the Debt Limit; (b) reviewing and considering the proposed valuation of any Property to be transferred by the Partnership to a Transfer Holdco (described below), (c) approve changes to the Valuation Policy; and (d) review and approve any potential conflict of interest or other matter as requested by the General Partner, or as permitted or required by the Partnership Agreement. The Advisory Committee may only take action through a majority of its voting members.

Dispositions On or after substantial development of any Property, the GP may elect to either sell the Property to a third party at a fair market value, as determined by the GP in its sole discretion, without consultation or approval from the Advisory Committee, or the GP may provide notice to the Advisory Committee of the GP's plan to transfer the Property to a Transfer Holdco as described below.

Transfer Holdco Transactions The GP will notify the Advisory Committee of its plan to transfer any Real Estate Development to another vehicle, such as a real estate partnership or income-focused vehicle, to be managed by the GP or an Affiliate (a "Transfer Holdco"). The notice to the Advisory Committee will include the GP's proposed recapitalization plan and purchase price, which price will be based on a current fair market value of the Real Estate Development after stabilization as determined by an independent, qualified valuation firm selected by the GP (the "Transfer Value"). Once the Advisory Committee has reviewed and confirmed the Transfer Value, the General Partner will provide written notice to all Partners that describes the Real Estate Development, the Transfer Value, the recapitalization plan and the terms of the Transfer Holdco. The Partnership will seek to structure the transfer in a manner designed to minimize taxes to the extent possible.

As part of the recapitalization and transfer of any Real Estate Development to a Transfer Holdco, the Limited Partners' capital account balances will be established after taking into account the distribution provisions of the Partnership Agreement. A Transfer Holdco is expected to provide the option to each Partner to (a) receive cash for the entirety of the Partner's percentage interest in the transferred Real Estate Development; or (b) contribute the entirety of its percentage interest in-kind to, and receive a corresponding interest from, the Transfer Holdco. The GP can, but is not required to, allow Partners to transfer less than the entirety of their percentage interest in a Real Estate Development to a Transfer Holdco. The General Partner will be permitted (but not required) to contribute GP Interest Distributions received with respect to any Real Estate

Development transferred to a Transfer Holdco, in part or in their entirety, in exchange for interests in the Transfer Holdco. Thompson Thrift will contribute at least 10% of the total equity interests in the Transfer Holdco. As a result, a Transfer Holdco is expected to have a different equity structure and/or distribution waterfall.

- Other Real Estate Activities** Thompson Thrift develops commercial real estate projects and manages multiple real estate development vehicles, typically formed to capitalize one or more specific real estate developments. Thompson Thrift also sponsors multiple real estate development limited partnerships and, in the future, could sponsor a real estate income vehicle that would earn income from stabilized properties. It is possible that any of these real estate developments could compete with the Properties to be developed by the Partnership.
- Risk Factors** Real estate development is speculative and involves a high degree of risk. Prospective Limited Partners are urged to review the **Factoring the Risk** section of this Memorandum, including the Conflicts of Interest.
- Reports to Limited Partners** Limited Partners will receive quarterly reports containing progress updates for each Property or Real Estate Development to the extent available, and an annual Schedule K-1 regarding the Limited Partner's Interest in the Partnership.
- Independent Auditors** The Partnership has engaged FORVIS MAZARS LLP to conduct an annual audit of the Partnership's financial statements in accordance with U.S. GAAP. Audited financial statements will be available annually.
- Partnership Counsel** Faegre Drinker Biddle & Reath LLP serves as counsel to the Partnership, the GP and Thompson Thrift. Potential Limited Partners must consult their own legal, tax and financial advisors prior to subscribing for an Interest in the Partnership.

Estimated Partnership Budget and Property Performance Metrics

ANTICIPATED PARTNERSHIP BUDGET AND CAPITAL STACK

Construction Loan Aggregate Total	\$317,839,095
Construction Loan Aggregate Percentage	62.50%
Property Equity Aggregate Total	\$190,703,458
Property Equity Aggregate Percentage	37.50%
Property Budget Aggregate Total	\$508,542,553
Estimated Partnership Start Up Fees	\$924,000
Aggregate Estimated Partnership Expenses (Years 1 & 2)	\$100,000
Aggregate Asset Management Fees (Years 1 & 2)	\$3,076,392
Partnership Gross Budget	\$512,642,944

ANTICIPATED PARTNERSHIP EQUITY

Aggregate Property Equity	\$190,703,458
Estimated Partnership Start Up Costs	\$924,000
Aggregate Estimated Partnership Expenses (Years 1 & 2)	\$100,000
Aggregate Asset Management Fees (Years 1 & 2)	\$3,076,392
Limited Partner Equity	\$194,803,850
Minimum Limited Partner Commitment ("Unit")	\$500,000

ESTIMATED CAPITAL CONTRIBUTION SCHEDULE

Identified Properties	Estimated Capital Call Date	% of Total Capital Contribution
Gallatin, TN*	Q1 2026	17.72%
Dacula, GA	Q1 2026	15.55%
Reno, NV	Q2 2026	18.13%
Knoxville, TN	Q3 2026	14.87%
North Charleston, SC	Q3 2026	15.10%
Nampa, ID**	Q4 2026	18.62%
Totals		100.00%

*Estimated Capital Contribution includes partnership start up costs.

**Estimated Capital Contribution includes partnership expenses and asset management fees.

Properties are underwritten with an estimated partnership expense allocation, estimated broker-dealer fee allocation, and annual asset management fee allocation of each Limited Partner's average unreturned capital balance as outlined on page 11 of this Memorandum and defined within the Limited Partnership Agreement.

See notes to Estimated Partnership Budget and Property Performance Metrics on page 16 and **Factoring the Risk - Risks Related to Forecasts.**

UNDERWRITTEN PROPERTY PERFORMANCE METRICS

Identified Properties	Estimated Capital Call Date	Estimated Capital Contribution	Estimated Stabilized NOI	Underwritten Development Yield	Underwritten Market Exit Cap Rate	Development Spread (Yield - Cap Rate)	Estimated Sale Price	Estimated Cash Available for Distribution	Estimated Term (Months)	Estimated Sale Date
Gallatin, TN*	Q1 2026	\$34,528,324	\$6,245,481	6.97%	5.15%	1.82%	\$121,271,485	\$63,654,575	37	Q1 2029
Dacula, GA	Q1 2026	\$30,301,566	\$5,659,627	7.00%	5.39%	1.62%	\$105,099,847	\$55,327,035	36	Q1 2029
Reno, NV	Q2 2026	\$35,314,950	\$6,497,236	6.90%	5.16%	1.74%	\$126,037,547	\$66,817,779	36	Q2 2029
Knoxville, TN	Q3 2026	\$28,968,556	\$5,479,056	7.09%	5.25%	1.85%	\$104,462,468	\$54,613,268	36	Q3 2029
North Charleston, SC	Q3 2026	\$29,424,421	\$5,546,751	7.07%	5.40%	1.67%	\$102,812,811	\$54,414,628	37	Q3 2029
Nampa, ID**	Q4 2026	\$36,266,033	\$6,062,580	6.87%	5.11%	1.76%	\$118,641,493	\$64,845,303	36	Q4 2029
Totals/Averages		\$194,803,850	\$5,915,122	6.98%	5.24%	1.74%	\$113,054,275	\$59,945,431	36	

Notes to Estimated Partnership Budget and Property Performance Metrics

1. Capital Call events are modeled based on the assumptions below, and actual Capital Calls could vary from this schedule.
 - Capital Call notices are expected to be sent at each Property's construction loan closing for the amount of the Partnership's equity contribution to the Property.
 - First Capital Call notice in 2026 will include estimated Partnership Expenses for Year 1.
 - Last Capital Call notice in 2026 will include reconciled Partnership Expenses for Year 1 and estimated Partnership Expenses for Year 2.
 - Additional accrued Partnership Expenses allocated to a Real Estate Development (or its Property Holdco) are expected to be paid or reimbursed to the GP and/or Thompson Thrift out of net proceeds from the sale or disposition of such Real Estate Development.
2. Capital Contributions will be based on capital required at the time of closing for each Real Estate Development.
3. Partnership Expenses will be estimated based on development budgets and later will be reconciled to actual Partnership Expenses.
4. Estimate assumes sale or transfer of all equity and debt interests in a Real Estate Development between 36 and 37 months from construction closing for all Properties. No distributions are expected to be made by the Partnership until after the actual sale date and repayment of all fees, expenses and indebtedness related to the Real Estate Development. Estimated dates of sales, and amount of proceeds to be received from sales of Real Estate Developments are not guaranteed. In determining whether a Property meets the Evaluation Criteria at the time of closing, the General Partner may include indirect sources of income including, but not limited to, interest earned on cash accounts.

Estimated Partnership Budget and Property Performance Metrics were prepared by the GP based on the GP's estimates of business and development plans, budgets, available leverage terms and other factors at the time that this Memorandum was prepared. There can be no assurances that such projected metrics or realization events will actually occur. Actual performance will depend on market conditions, the value of each Real Estate Development, manner of sale, underwriting costs and development costs, among other factors, which may differ from the performance metrics contained herein. Actual results upon the sale, disposition or transfer of a Property or Real Estate Development could differ materially from those indicated herein.

The GP has not independently verified the information contained in any of the third-party sources referred to in this Memorandum and does not take any responsibility for the accuracy of any third-party references, sources or statements set out herein.

Targeted distribution rates are generally presented throughout this Memorandum net of estimated Partnership Expenses, including Asset Management Fees.

Gross returns will be reduced by Asset Management Fees, GP distributions, and Partnership Expenses (described below), including fees and expenses paid to Thompson Thrift as set forth in the Partnership Agreement. The GP's calculations of net distributable cash upon the sale, transfer or realization of a Real Estate Development will be reviewed by the Partnership's independent auditors prior to distributions to Limited Partners by the Partnership.

See **Factoring the Risk –Conflicts of Interest and –Forecast Risks.**

PAST PERFORMANCE OF THOMPSON THRIFT IS NO GUARANTEE OF THE PARTNERSHIP'S FUTURE PERFORMANCE.

Property-Level Related Services

Thompson Thrift Development, Inc., or another affiliate of the GP, will provide the following services and will be paid (or reimbursed) by the Partnership for the Property-level services set forth below:

Included in Property Development Budgets

- Internal Financing Fee equal to 0.25% of land and construction loan amounts;
- Construction administration/owner's representation fees equal to 1.75% of each Property's development budget;
- Development overhead fee equal to 2.50% of each Property's development budget;
- Each Property will enter into a fixed sum contract with Thompson Thrift Construction, Inc., an affiliate of the GP, prior to the closing of its construction loan, which includes a general contractor fee equal to 5% of the construction contract amount, and a general contractor contingency equal to 3.5% of the construction contract amount;
- Reasonable hourly rates for in-house legal counsel (not to exceed \$550 per hour) attributable to the acquisition, development or disposition of each Property;
- Prior to, or concurrent with, closing of a construction loan for each Property, Thompson Thrift will be reimbursed by the Partnership for all pre-closing pursuit costs and due diligence costs (described below) plus interest at the Warehousing Rate (defined in the attached Valuation Policy);
- Prior to, or concurrent with, closing of a construction loan for each Warehoused Property where a Contributing Partner contributed cash or in-kind with respect to a Warehoused Property or closed on the land loan for the Property prior to the closing of the construction loan and funded the required equity, the General Partner may agree that the Partnership will reimburse the Contributing Partner (including any Thompson Thrift affiliate) 100% of the funded equity for the land loan plus interest as described in the Valuation Policy;
- Insurance premiums paid to an affiliated captive insurance company;

Partnership Expenses

- Annual Asset Management Fee as described herein;
- Reasonable hourly rates for in-house legal counsel (not to exceed \$550 per hour) attributable to the Partnership;

Included in Property Operating Expenses

- Property management fee initially equal to \$6,000 per month once on-site personnel have been hired for each Real Estate Development. Upon delivery of the first units for lease, the property management fee will then be the greater of \$7,500 or up to 3.50% of effective gross income of the Property per month, with such fee increasing by 1.0% of the effective gross income with respect to any Real Estate Development held by the Partnership longer than 42 months. Each Property will pay compensation for on-site personnel;
- Insurance premiums paid to an affiliated captive insurance company; and
- Various other fees associated with management of each Property, including information technology fees of \$350 per month, payroll fees of \$300 per month, and one-time lease-up fee of \$125 per unit once a Real Estate Development achieves at least 92% occupancy (or upon its earlier disposition), and software fees billed on a per unit rate based on stage of completion.

Related Party Transactions

Warehoused Properties

The General Partner, in its sole discretion, may allow a Contributing Partner (including an Affiliate Partner) to make a Capital Contribution to the Partnership, through an in-kind contribution of a Warehoused Property (directly or indirectly through a contribution of equity interests in its development entity), or by contributing cash to acquire and/or develop a Warehoused Property.

The Contributing Partner can elect to assign or transfer its interest in a Warehoused Property in exchange for cash and/or an Interest in the Partnership, which Interest will be limited solely to the profit (loss), reserves and Partnership Expenses allocated to that Warehoused Property. A fair value of each Warehoused Property that is assigned or contributed to the Partnership will be determined in good faith by the General Partner according to the Valuation Policy attached hereto as Exhibit A.

The GP Commitment may include all or a portion of the value of any Warehoused Property contributed by an Affiliate Partner.

A Contributing Partner will have a percentage interest in the Partnership that is solely limited to the profits (losses) and expenses of that Warehoused Property, which will reduce the investment percentages of other Limited Partners in that Property.

The General Partner may determine that a Contributing Partner's duty to make additional Capital Contributions has been deemed satisfied in full by the amount of cash and/or the fair value of the Warehoused Property contributed in-kind by such Contributing Partner.

Pre-Closing Pursuit and Due Diligence Costs

To the extent that a Contributing Partner (including an Affiliate Partner) incurs costs when acquiring a Warehoused Property, the GP can cause the Partnership to reimburse those costs plus interest as described in the Valuation Policy.

When a Contributing Partner purchases a Warehoused Property before the construction loan closing, the land closing budget includes the cost of the land plus preconstruction interest for any land loan. The Partnership will reimburse the Contributing Partner (including any Affiliate Partner) for this pre-development cost through the date of acquisition based on invoices presented by the Contributing Partner.

At the closing of a construction loan for a Warehoused Property, the transferor (including any Affiliate Partner) will be reimbursed by the Partnership (in cash and/or through the issuance of an Interest) for the Property's acquisition cost, including pursuit and due diligence costs actually incurred, plus interest as described in the Valuation Policy.

Pre-closing pursuit and due diligence expenses actually incurred by a Contributing Partner typically include, but are not limited to, earnest money, site due diligence reports, costs of obtaining plans and permits, and architectural design, civil engineering and impact fees.

Financing Arrangements

The Partnership expects to enter into financing arrangements with lenders, including any bank, insurance company or other financial institution or lender, including the GP and/or Thompson Thrift. Financing arrangements may include any type of mortgage, line of credit, mezzanine debt, or preferred equity arrangements with lenders that designate the General Partner or an Affiliate as the party in control of the Property on behalf of the Partnership prior to any event of default, subject to the Debt Limit.

To facilitate Capital Calls on a regular basis, the Partnership expects to establish a line of credit with a third-party bank or other financial institution as lender, which will require the Partnership to pledge Limited Partners' Capital Commitments as security for such borrowing. Limited Partners will be required to sign and agree to certain undertakings confirming the amount of their uncalled Capital Commitments and to provide certain representations and other documentation reasonably and customarily required to obtain such credit facilities. Instead of calling capital, the GP could, but is not required to, make a short-term loan to the Partnership, with interest at the Warehousing Rate, as defined within the Valuation Policy. The GP intends to cause the Partnership to repay advances under any line of credit or advance within 120 days from the date that funds were advanced to the Partnership. In addition, Thompson Thrift may secure an umbrella facility (the "Credit Facility") on behalf of multiple real estate partnerships sponsored by Thompson Thrift, including the Partnership. It is expected that any credit extended to the Partnership would be primarily secured by uncalled Capital Commitments. The General Partner will not pledge Partnership assets as collateral under the Credit Facility unless amounts are drawn down for the benefit of the Partnership.

Transfer to Transfer HoldCo

In the future, the Partnership could elect to transfer one or more Real Estate Developments to a new real estate investment trust, income vehicle or other real estate vehicle managed by Thompson Thrift, at a valuation determined in accordance with the Valuation Policy, subject to the Advisory Committee's review of the transfer value.

Please see **Factoring the Risk – Related Party Transactions, Fees and Expenses – Transfer to Transfer Holdco.**

Additional Terms

- Default** If any Limited Partner fails to pay its required Capital Contribution when called by the GP, the GP will have the right, but not the obligation, to treat such Limited Partner as a “Defaulting Partner.” As specified in the Partnership Agreement, a Defaulting Partner may be subject to significant penalties, including forfeiture of its Interest in the Partnership.
- Line of Credit** In an attempt to limit Capital Calls, the Partnership (or Thompson Thrift on behalf of the Partnership pursuant to the terms of an umbrella credit facility) expects to establish a line of credit with a third-party bank or other financial institution lender, which will require it to pledge uncalled Capital Commitments as security for such borrowing. In connection therewith, Limited Partners could be required to sign and agree to certain undertakings relating to their Capital Commitments and interests with respect to one or more credit facilities and to provide certain representations and other documentation reasonably and customarily required to obtain such credit facilities. The GP expects that any advancement of funds under a line of credit will be repaid no later than 120 days from the date of advancement.
- Instead of calling capital, the Partnership could, but is not required to, enter into a short-term loan with the GP or Thompson Thrift at an interest rate equal to the Warehousing Rate.
- Repayment of all debt incurred by the Partnership (including any short-term loan) will occur prior to any distributions to Limited Partners.
- Tax Distributions** If permitted in the construction loan documents for a Property, and solely to the extent there is available cash as set forth in the Partnership Agreement, the Partnership intends to make tax distributions to Partners in an aggregate amount equal to the excess of (a) each such Partner’s deemed tax liability with respect to allocations of income by the Partnership during such Fiscal Year or other relevant period over (b) the distributions made to such Partner during such Fiscal Year or other relevant period. In determining such tax liabilities, it shall be assumed that each Partner is subject to a rate of income taxation calculated assuming the maximum U.S. federal and state tax rate applicable to any Partner. Any tax distributions made to the Partners shall be treated as advances of future amounts due to such Partners, and any future distributions due to the Partners shall be adjusted to take into account such advances.
- Recalls** If the Partnership’s assets are insufficient to fulfill any obligation or liability, as determined by the GP in its sole discretion, after the maximum Capital Contributions have been contributed under the Partnership Agreement, the GP could recall distributions previously made to Limited Partners solely for the purpose of fulfilling or satisfying such obligation or liability. Each Limited Partner will be required to make such contributions upon not less than 10 days’ prior written notice from the GP of such Limited Partner’s pro rata share of the amount necessary to satisfy such liability or obligation so as to achieve the net distributions that would result if the recalled distributions had not been made. In no event shall any Limited Partner be required to contribute capital pursuant to recall provisions in excess of the lesser of (a) total distributions received by such Limited Partner and (b) 25% of such Limited Partner’s Capital Commitment. In no event will the GP be permitted to recall a distribution previously made to the Limited Partners after the third anniversary of the liquidation and winding-up of the Partnership.
- Limitations on Transfers** Transfers of Limited Partners’ Interests are subject to significant tax and other restrictions and will only be permitted in accordance with the GP’s Transfer Policy (attached hereto as Exhibit B). Typically, only transfers between accounts that ultimately have the same beneficial owners (such as for estate planning purposes) will be permitted, in each case subject to the

written consent of the GP in its sole discretion. Transferees must be “accredited investors” under federal securities laws. Transferees will be required to sign a written transfer agreement and subscription agreement in the form provided by the GP, that include representations and warranties, such as confirmation that the transferee has sufficient financial means to meet the remaining Capital Commitment obligations of the transferring Limited Partner. Limited Partners will not be permitted to liquidate their Interests in the event of a financial emergency or use their Interests as collateral for a loan.

IndemnificationIn general, if the GP, its Affiliates, and their respective members, managers, officers, employees and their agents, including the Partnership’s Placement Agent (defined below) and any selling agent, acted in good faith, then such persons will be indemnified by the Partnership against any costs and expenses incurred by such person connected with any proceeding as a result of serving in any of the foregoing capacities or having served as a director, officer, employee or agent of any organization in which the Partnership may have an interest, so long as such costs or expenses did not result from the fraud, gross negligence, willful misconduct, bad faith or conviction or any violation of federal securities laws. The Partnership is expected to pay the expenses incurred by an indemnified person in defending an action in advance of the final disposition of such action, provided such defendant undertakes to repay such expenses if such person is adjudicated not to be entitled to indemnification.

Eligible InvestorsIn order to become a Limited Partner, an eligible investor must be an “accredited investor” as defined in Rule 501 under SEC Regulation D. The Subscription Agreement contains concise descriptions of the types of investors that qualify as “accredited investors” and a form verifying the investor’s status as an “accredited investor” which must be completed by either: (i) an eligible investor’s attorney, accountant, broker-dealer or SEC-registered investment adviser, who is licensed and in good standing in the applicable state where they practice, using the Partnership’s third party verification form or (ii) the Placement Agent or another third-party verification service provider designated by the GP; provided that any individual Partner who makes a binding Capital Commitment of at least \$200,000 (or \$1,000,000 for institutional Partners) will be permitted to certify their status as an accredited investor.

All prospective investors, either individually or together with their professional advisors, must have the financial sophistication and expertise to evaluate the merits and risks of an Interest in the Partnership as well as the conflicts of interest to which the GP is subject to in managing the Partnership.

Subscription ProceduresInvestors who desire to subscribe for an Interest in the Partnership must complete and execute the Subscription Agreement and Partner Questionnaire (collectively, the “Subscription Agreement”). A third-party verification form or confirmation from a third-party service provider must be provided directly to the GP attesting to the subscriber’s status as an “accredited investor” as described above. Investors may be required to provide the GP at the time of subscription or thereafter with certain information to permit the Partnership and its Placement Agent to comply with certain applicable rules and regulations, including with respect to anti-money laundering, know your customer and suitability regulations, or as required by the Placement Agent and/or lenders to the Partnership. Limited Partners will not owe any sales charges to the Placement Agent or any of its registered representatives in connection with the purchase of Interests, although the Partnership is required to compensate the Placement Agent for its services, including pursuant to any commission sharing agreement it may have with another broker. The General Partner (or an affiliate thereof), at its own expense, may enter into agreements with SEC-registered broker-dealers that are members of FINRA/SIPC to introduce potential limited partners to this offering.

GP Expenses.....The GP will be responsible for its own day-to-day operating expenses including (to the extent applicable) compensation of employees, office space, communications expense, office supplies and other miscellaneous day-to-day expenses

Partnership Expenses.....The Partnership will be responsible for all expenses incurred in the conduct of the Partnership’s business (to the extent not borne or reimbursed by a Property Holdco) including, but not limited to, the following (“Partnership Expenses”): (a) Asset Management Fees; (b) legal, accounting, filing and other out-of-pocket expenses incurred in organizing the Partnership and the GP and offering Interests to potential investors; (c) consulting, legal, accounting, administrative, commitment, travel, and other fees incurred in investigating or completing real estate opportunities and providing tax information and reports to Partners; (d) ongoing accounting, administrative, compliance, filing and regulatory costs applicable to the Partnership; (e) expenses related to the acquisition, financing and disposition or transfer of Properties (including Warehoused Properties); (f) insurance premiums for errors and omission liability and other insurance; (g) expenses of preparing and hosting Advisory Committee meetings; (h) taxes, fees or governmental charges assessed against the Partnership; (i) bank or account fees; (j) costs associated with permitted borrowings, including internal financing fees on construction loan amounts; (k) fees and costs owed to the Placement Agent; (l) Related Party Fees (described below) and costs of Related Party Transactions as described above including, but not limited to, pre-closing pursuit and due diligence, internal financing, Property construction, Property management, and various other costs, fees and expenses associated with the acquisition, development or disposition of each Property paid or reimbursed to Thompson Thrift; (m) costs incurred in connection with a defaulting Limited Partner; (n) fees and expenses set forth in each Property’s Development Budget; and (o) other Partnership Expenses as set forth in the Partnership Agreement or as determined to be reasonable or necessary by the GP in its discretion, subject to the terms of the Partnership Agreement. **Please review Sections 6.5(f) and 7.2(b) of the Partnership Agreement for a complete description of Partnership Expenses.**

The General Partner expects to allocate Partnership Expenses specific to a Real Estate Development among the Partnership and the applicable Property Holdco using its good faith judgment. Partnership Expenses incurred by the Partnership on behalf of a specific Real Estate Development typically will be allocated to its Property Holdco, while Partnership-level fees and expenses, including organizational, offering and audit expenses, will be allocated equally among the Property Holdcos based on the number of Property Holdcos ultimately formed by the Partnership, or using another method that the GP determines is fair and equitable. The GP has authority to allocate or accrue Partnership Expenses at any time in any reasonable amount, and will deduct and pay the GP (or reimburse Thompson Thrift) all Asset Management Fees or other Partnership Expenses owed (or expected to be owed) by a Property Holdco to any party (including any Affiliate Partner) prior to causing the Partnership to make any distributions to Limited Partners with respect to the sale or other realization event of such Property Holdco, in accordance with the Partnership Agreement.

Self-Directed IRAs; Unrelated Business Taxable Income.....

A self-directed Individual Retirement Account (an “IRA”) is an IRA held by a custodian that allows investment in a broader set of assets than most IRA custodians permit. Certain custodians for self-directed IRAs may allow investors to invest retirement funds in “alternative assets,” such as private real estate development limited partnerships. **IRA accountholders should confirm in advance that their IRA custodian will agree to sign the Partnership’s Subscription Agreement and to hold the Interests in the IRA account.**

The individual accountholder of a self-directed IRA has sole responsibility for evaluating and understanding the investments in the account. Due to federal laws and regulatory rules related to selling investment products or providing investment advice, most custodians for other types of IRAs limit holdings in IRA accounts to firm-approved stocks, bonds, mutual funds, and CDs, although these limitations do not apply to self-directed IRAs, as long as the custodian agrees to hold specific alternative assets. Self-directed IRA custodians are only responsible for holding and administering the assets in the account. Most custodial agreements between a self-directed IRA custodian and an investor explicitly state that the self-directed IRA custodian has no responsibility for investment performance and that the custodian will not investigate the assets or conduct any due diligence, nor will the custodian check the accuracy of any financial or partnership information provided to the IRA accountholder. Investing through a self-directed IRA requires account owners to follow complex IRS tax rules that do not apply to other IRAs. Failure to follow these rules may result in unintended tax consequences such as extra taxes, financial penalties, or even loss of the account's tax deferred status.

IRAs are subject to unrelated business taxable income ("UBTI") when their income is derived from any trade or business that is unrelated to its tax-exempt status. UBTI is gross income derived by any organization from any unrelated trade or business regularly carried on by it, reduced by deductions directly connected with the business. An exempt organization that is a limited partner of a partnership will have attributed to it the UBTI of the partnership as if it were the direct recipient of its share of the partnership's income which would be UBTI had it carried on the business of the partnership. UBTI also applies to unrelated debt-financed income ("UDFI"). "Debt-financed property" refers to borrowing money to purchase real estate (i.e., a leveraged asset that is held to produce income). In such cases, only the income attributable to the financed portion of the property is taxed; the gain on the profit from the sale of the leveraged assets is also UDFI (unless the debt is paid off more than 12 months before the property is sold). For an IRA, any business regularly carried on by it (or by a partnership which the IRA is a limited partner) is an unrelated business. IRAs will be subject to taxation on UBTI because of the Partnership's use of leverage. Please review **Factoring the Risk - Federal Income Tax Related Risks**.

Potential investors should consult with a tax advisor before subscribing for an Interest in the Partnership through a self-directed IRA.

Partnership Agreement.....The terms and conditions of the Partnership will be subject to, and governed by, the Partnership Agreement, which has not yet been finalized. The **Executive Summary** and **Additional Terms** include a description of what the GP believes are the key terms at this time, although the terms described herein could change. Investors should carefully review the Partnership Agreement with their legal, financial, and tax advisors prior to submitting a Subscription Agreement to the Partnership. A final Partnership Agreement, marked to show any material changes, will be distributed to all Partners in advance of the Initial Closing Date. Limited Partners will be deemed to have consented to such changes to the Partnership Agreement as of the Initial Closing Date, unless the Limited Partner objects to such changes in writing in advance of such Date.

Who We Are



A Solid Foundation



JOHN THOMPSON & PAUL THRIFT

DEVELOPMENT CONSTRUCTION MANAGEMENT

John Thompson and Paul Thrift began their business partnership in Terre Haute, IN while attending Indiana State University with the acquisition and remodel of a single-family home. From these early roots, Thompson Thrift has grown into an integrated, full-service real estate company with a national footprint and 660+ team members.

As a vertically integrated real estate company, we complete our own development, construction, and community management, allowing us to maintain quality, efficiency, and long-term value across every stage of a project.

Our success is powered by a dedicated team and strong relationships with investors, vendors, and lending partners—anchored by core values of **Excellence, Service, and Leadership.**

“We at Thompson Thrift are so very blessed with a terrific and dedicated team and a host of valued limited partners, vendors, and lending partners. We are dedicated to living out our mission to positively impact our team members and the communities we serve.”

— Paul Thrift

CEO, Thompson Thrift Development

Committed to Excellence Since 1986

Backed by 250+ years of real estate experience, our leadership team drives Thompson Thrift Residential with vision and precision.



PAUL THRIFT
CHIEF EXECUTIVE OFFICER



JOSH PURVIS
MANAGING PARTNER



DAN SINK
PRESIDENT AND CHIEF
FINANCIAL OFFICER



BRIAN SOUTHWORTH
PARTNER AND SENIOR
VICE PRESIDENT, ACQUISITIONS



AIMEE O'CONNOR
CHIEF OPERATING OFFICER



JESSE HOUGHTALEN
SENIOR VICE PRESIDENT,
DEVELOPMENT—SOUTHEAST



JESSICA TUTTLE
SENIOR VICE PRESIDENT,
DEVELOPMENT—MIDWEST/WEST



BO CHAPMAN
SENIOR VICE PRESIDENT,
DEVELOPMENT—CENTRAL



STEVE SHAVER
SENIOR VICE PRESIDENT,
CONSTRUCTION AND DESIGN



ANGIE ATKINS
SENIOR VICE PRESIDENT,
PROPERTY MANAGEMENT



DAVE ENGLERT
SENIOR VICE PRESIDENT,
INVESTMENT STRATEGY



GREG FEDORINICH
SENIOR VICE PRESIDENT,
EQUITY CAPITAL MARKETS



CARRIE THRIFT LAFAY
VICE PRESIDENT,
EQUITY CAPITAL MARKETS



GREG BUCKHOUT
SENIOR VICE PRESIDENT,
DEBT CAPITAL MARKETS

Residential Development Statistics

25,000+

Units Started Since 2010

7,600+

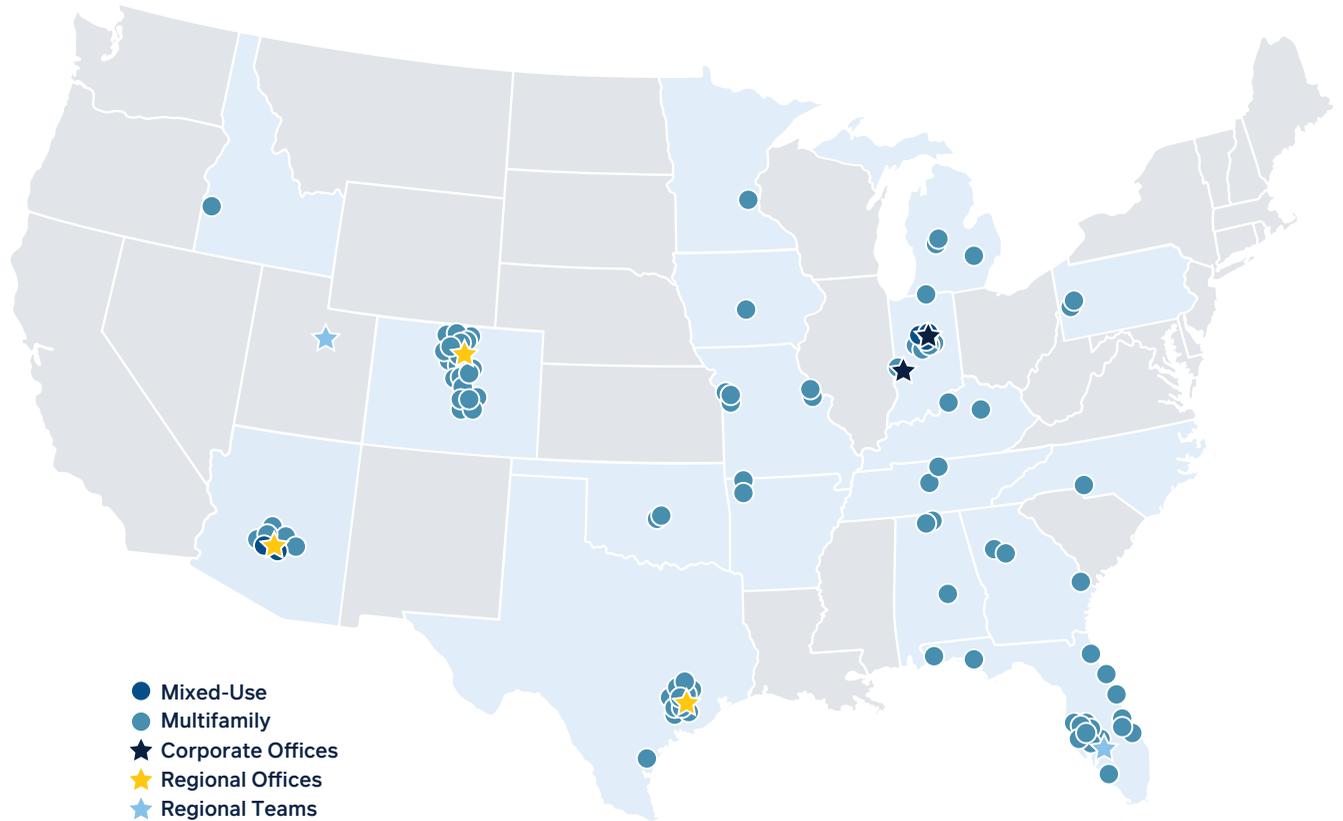
Units Under Management

5,225+

Units Under Construction

12,000+

Units Sold Since 2010



\$5.56B

Total Development Costs



\$1.76B

Equity Capital Deployed Since 2010



\$3.8B

Construction Debt Obtained Since 2010



30+

Active Lender Relationships



THE QUINN
PENSACOLA, FLORIDA

THE QUINN

Multi-project Development Partnerships

Our multi-project development partnerships offer diversification across geographies, properties, and annual vintages.

PARTNERSHIP	NUMBER OF PROPERTIES AND STATUS	EQUITY COMMITTED	LOCATION	UNITS
SINGLE ASSETS	48 PROPERTIES 38 Properties Sold 3 Properties Under Construction 7 Properties in Lease-Up	\$569.7M	AL / AR / AZ / CO / FL / IA / IN / KY / MO / OK / PA / TN / TX	12,666
2016 LP	3 PROPERTIES All Properties Sold	\$39.9M	AL / CO / IN	778
2020 LP	6 PROPERTIES All Properties Sold	\$105.7M	AL / AZ / CO / MI / MO	1,812
2021 LP	7 PROPERTIES 4 Properties Sold 3 Properties in Lease-Up	\$148.5M	CO / FL / MI / NC	1,888
2022 LP	9 PROPERTIES All Properties in Lease-Up	\$253.7M	AZ / CO / FL / MI / MN / MO	2,543
2023 LP	10 PROPERTIES 3 Properties Under Construction 7 Properties in Lease-Up	\$380.3M	AZ / CO / FL / GA	3,031
2024 LP	8 PROPERTIES PLANNED 7 Properties Under Construction 1 Properties in Development	\$251.5M	AZ / CO / FL / GA / ID	2,253
2025 LP	7 PROPERTIES PLANNED 1 Property Under Construction 6 Properties in Development	\$255.3M	CO / FL / GA / IN / KS	1,906

Historical Returns

PROPERTY NAME	EQUITY DEPLOYED	LOCATION	UNITS	SALE DATE	INVESTMENT TERM (MONTHS)	APPROXIMATE NET IRR TO LPs ²	EQUITY MULTIPLE ²
Multi-project Development Partnerships							
2016 LP (3 Properties)	\$31.1M	CO / AL / IN	778	Dec-20	44' / 37 Per Project Avg.	29.0%/27.8%/20.7%	1.85/2.12/2.00
2020 LP (6 Properties)	\$97.9M	AZ / MO / AL / MI / CO	1,812	Oct-24	57' / 36 Per Project Avg.	34.5% Cumulative	2.16
Single Project Development Partnerships — “Build-to-Sell”							
Watermark at EastChase	\$2.5M	Montgomery, AL	272	Oct-12	31	35.3%	2.30
Sycamore Terrace	\$1.4M	Terre Haute, IN	250	Oct-12	21	50.0%	1.95
Watermark at Indian Lake Village	\$4.4M	Hendersonville, TN (Nashville)	206	Sep-13	27	37.2%	1.95
Watermark at Hamburg Place	\$2.1M	Lexington, KY	150	Sep-13	21	23.6%	1.42
Watermark at Quail North	\$2.3M	Oklahoma City, OK	240	Jun-13	26	31.9%	2.14
Watermark at Katy Ranch	\$6.4M	Katy, TX (Houston)	260	Dec-13	22	34.9%	1.74
Watermark at Sienna Plantation	\$1.6M	Missouri City, TX (Houston)	240	Dec-13	32	53.3%	2.45
Watermark on Hurstbourne	\$6.5M	Louisville, KY	270	Jun-14	24	45.1%	2.12
Watermark on Cumberland	\$4.7M	Fishers, IN (Indianapolis)	220	Mar-15	28	29.8%	1.83
Watermark at Barker Cypress	\$6.9M	Cypress, TX (Houston)	318	Sep-15	35	29.5%	2.08
The Villas at Sienna Plantation	\$6.2M	Missouri City, TX (Houston)	190	Oct-15	26	22.8%	1.56
Watermark at Southlands	\$9.6M	Aurora, CO (Denver)	300	Feb-16	29	56.6%	2.94
Watermark on Mainstreet	\$10.1M	Parker, CO (Denver)	306	May-16	26	56.2%	2.53
Watermark at Harmony	\$7.3M	Spring, TX (Houston)	308	May-17	41	12.1%	1.48
Watermark at Walker Commons	\$12.8M	League City, TX (Houston)	368	May-17	37	19.4%	1.64
Watermark at Spring Cypress	\$9.4M	Tomball, TX (Houston)	328	Nov-17	35	15.8%	1.56
The Reserve at Quail North	\$3.4M	Oklahoma City, OK	280	Oct-19	60	11.0%	1.65
Watermark at Walnut Creek	\$7.9M	Rogers, AR (Fayetteville)	220	Feb-20	53	11.7%	1.61
Watermark at Tiffany Springs	\$13.0M	Kansas City, MO	276	Oct-20	36	20.2%	1.75
Watermark at Gateway Place	\$13.2M	Gilbert, AZ (Phoenix)	250	Dec-20	28	44.6%	2.50
Watermark at First Creek	\$11.9M	Denver, CO	264	Dec-20	49	27.6%	2.56
Watermark at Chesterfield	\$18.2M	Chesterfield, MO (St. Louis)	345	Mar-21	49	18.5%	2.01
Dayton Stations Townhomes	\$7.7M	Aurora, CO (Denver)	63	Apr-21	26	22.2%	1.54
The Haven by Watermark	\$12.0M	Denver, CO	206	Apr-21	34	28.0%	2.03
The Mark at Fishers District	\$9.1M	Fishers, IN (Indianapolis)	260	Sep-21	39	31.5%	2.42
Thrive by Watermark	\$18.4M	Davenport, FL (Orlando)	328	Feb-22	37	35.1%	2.51
Magnolia by Watermark	\$14.3M	Spring, TX (Houston)	336	Mar-22	37	25.0%	1.98
Edge 75 by Watermark	\$15.1M	Naples, FL	320	Mar-22	27	78.3%	3.99
Axis One by Watermark	\$9.4M	Stuart, FL	284	Mar-22	30	83.9%	4.70
Meeder Flats	\$9.9M	Cranberry Township, PA (Pittsburgh)	276	Aug-22	36	44.3%	2.71
Watermark at Grand Central Park	\$11.7M	Conroe, TX (Houston)	288	Aug-22	32	30.8%	2.05
Oakbrook Townhomes	\$5.4M	Franklin, TN (Nashville)	89	Apr-24	44	4.0%	1.27
Slate at Fishers District	\$19.6M	Fishers, IN (Indianapolis)	242	Mar-25	40	14.0%	1.55
Prism at Diamond Ridge	\$23.8M	Moon Township, PA	336	Jun-25	42	6.7%	1.26
TOTAL:	43 Properties Sold	\$446.5M	11,479 Units		35 Months Avg.	31.7%	2.10

1) The Partnership Term is calculated as the amount of months from the partnership's first capital call to the last project sale distribution and does not include any additional distributions of funds held back for entity wrap up costs.

2) The 2016 Limited Partnership had a project-level distribution structure and the 2020 Limited Partnership had a fund-level distribution structure.

Historical Returns

PROPERTY NAME	EQUITY DEPLOYED	LOCATION	UNITS	SALE DATE	INVESTMENT TERM (MONTHS)	APPROXIMATE NET IRR TO LPs	EQUITY MULTIPLE
Single Project Development Partnerships — “Recapitalized-to-Hold”							
Villas by Watermark	\$6.3M	Whitestown, IN (Indianapolis)	266	Dec-21	96	31.3%	6.13
Watermark at Timbergate	\$10.9M	Corpus Christi, TX	324	Jun-22	88	14.2%	1.93
Villas at Sienna Plantation	\$10.2M	Missouri City, TX (Houston)	312	Jul-22	92	14.1%	2.60
Watermark at Jordan Creek	\$3.8M	West Des Moines, IA	176	Jan-23	111	16.1%	3.51
TOTAL:	4 Properties Sold		1,078 Units		97 Months Avg.	18.9%	3.54

NOTES TO RETURNS

- 1. Historical Returns** reflect a comprehensive list of all actual realized returns for completed partnerships that include multifamily residential projects developed and sold by Thompson Thrift Residential or its real estate limited partnerships and their affiliates from October 2012 through June 2025. This list does not include any unrealized multifamily developments. Actual realized returns of unrealized multifamily developments, as well as new projects developed by Thompson Thrift, could differ materially from the returns shown.
- 2. Historical Performance is not a guarantee of future results.** Each project had its own fees, expenses and distribution structure. Returns for future projects developed by Thompson Thrift will depend upon, among other factors, development and financing costs, future operating results of each project, then current market values of the projects, general economic conditions at the time of disposition, as well as selling costs, commissions, and fees.
- 3. Approximate Net IRR to LPs and Equity Multiple** are unaudited, and were calculated by Thompson Thrift Residential based on actual sale proceeds net of selling costs, commissions, fees and other expenses, after distribution of sales proceeds to real estate partners using the distribution structure in place for that partnership. Oakbrook Townhomes’ sale included seller financing and returns are calculated assuming full payoff of the seller financing upon maturity.
- 4. This is not a solicitation** or an offer to buy or sell a limited partnership interest in the Partnership. This overview is being provided to you solely for your information. Nothing herein constitutes investment, legal, accounting or tax advice. In addition, nothing herein constitutes advice that an interest in the Partnership would be suitable or appropriate for your individual circumstances or otherwise constitutes a personal recommendation to you. Private real estate partnerships are highly speculative, illiquid, may involve a complete loss of capital, and are not suitable for all investors. Securities offered through North Capital Private Securities (“NCPS”), member FINRA/SIPC.

Development Strategy

Strategic Expertise for Superior Outcomes

Excellence isn't optional, it's our standard. Every team member is accountable, every process is intentional, and every decision is driven by data and discipline.



VERTICALLY INTEGRATED



DATA DRIVEN APPROACH



DISCIPLINED DEVELOPMENT PROCESSES



STANDARD PRODUCT DESIGN



SLATE AT FISHERS DISTRICT
FISHERS, INDIANA

Market Selection Process

We take a data-driven approach to market selection that we believe offers the opportunity to produce superior risk-adjusted returns.

- We assess over 200 U.S. markets each year.
- Markets are ranked on several criteria, including supply-and-demand analysis and quality-of-life indices, to identify the best growth markets for multifamily housing.
- Our comprehensive approach is supported by an extensive network of over 1,000 real estate and land brokers.
- This combined insight allows us to identify both macro-level trends and high-potential submarkets that align with our disciplined growth strategy.



PREMIER AT WEST PARK
GREELEY, COLORADO

KEY MARKET CRITERIA



JOB GROWTH



POPULATION GROWTH



HOUSEHOLD FORMATION



RENT GROWTH



BALANCED SUPPLY

Fundamental Site Criteria

Disciplined by strictly adhering to fundamental site criteria on every deal.



HIGH TRAFFIC THOROUGHFARE

Proximity to high-traffic thoroughfare ensures resident access and visibility while attracting walk-through traffic to maximize lease-up.



CLOSE PROXIMITY TO JOBS

Convenience to workplace is a significant factor in a resident's decision to lease at a given location.



HIGH-END HOUSING AND GOOD SCHOOLS

Residents want to live in an area that is considered exclusive based on the presence of well-kept, high-end homes in low-crime areas with good schools.



CLOSE PROXIMITY TO HIGH-END RETAIL

Beyond adding convenience for residents, this factor represents an easily recognizable indicator of growth in a submarket. We confirm the submarket's growth through comprehensive analysis.



COMPELLING STORY

We seek to develop sites in markets with a compelling story: high administrative or geographic barriers to entry that limit the amount of new competition or a favorable supply and demand story.

Product Types



SELECT

Two-story direct access apartment homes



CLASSIC

Three-story garden-style apartment homes

Standardized product design that creates efficiencies and mitigates risk.

Our three primary standardized designs provide construction efficiency, cost predictability, and an end product that has been tried and tested, winning approval of residents through many successful builds and leases.



METRO

Four-story double loaded corridor apartment homes with elevators

Real Estate Approval Process

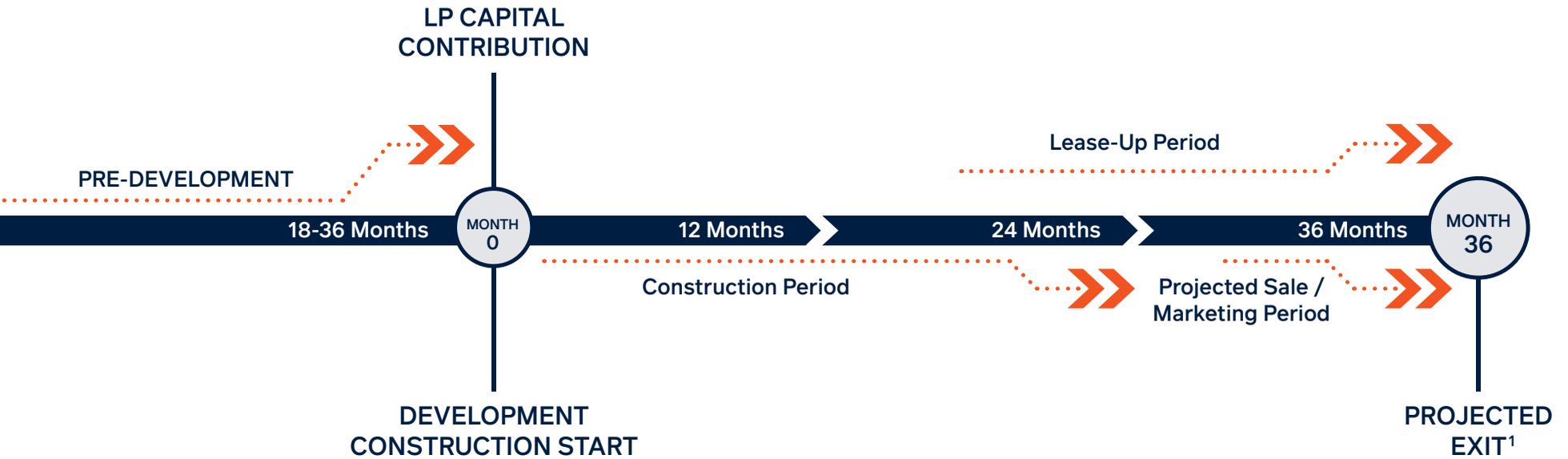
Our rigorous approval process includes meticulous research and ongoing study at the market and site level.

- **Thompson Thrift is 100% at risk for all pre-development pursuit costs prior to each project's construction closing.**
- Limited partner development equity capital is called when we are ready to close on construction financing and begin construction for each project.
- Minimum of three (3) approval meetings prior to construction loan closing.
- Final approval requires CEO and Managing Partner site visit, market study, and shop of comparable properties.



Multifamily Development Lifecycle

A typical multifamily development project follows a 36-month cycle.



(1) The timing of the sale of real estate developments depends on prevailing market conditions. During periods of unfavorable market conditions, properties may be capitalized and held for a longer period, up to the end of the Partnership's term.



THE MADDOX
BUCKEYE, ARIZONA

Identified Properties





GALLATIN, TENNESSEE

Nashville MSA

PROPERTY 1

Located in northeast Nashville within Sumner County, the Gallatin submarket stands out within the Nashville MSA for its strong household incomes, high home values, robust growth, and proximity to natural amenities. Gallatin, known for its small-town charm and rapid growth, has experienced a historical lack of multifamily housing, leading to pent-up demand. Positioned equidistant between Gallatin and Hendersonville, our development site benefits from the strength of both cities and offers direct access to Nashville Pike and Vietnam Veterans Parkway, ensuring convenient connectivity to major employment centers in Downtown Gallatin, Hendersonville, and Downtown Nashville. Across from a Kroger-anchored retail center and surrounded by new restaurants and desirable Sumner County neighborhoods, the site delivers an exceptional balance of accessibility, lifestyle, and opportunity.



UNITS

340 Units

TOTAL ACREAGE

24.9 Acres

PRODUCT TYPE

Select & Classic

Property Highlights



SITE HIGHLIGHTS

- Our property will be developed on approximately 24.9 acres and will include 220 Select and 120 Classic units in growing Gallatin, TN. Adjacent to our site, Lennar is constructing 120 for-sale townhomes, and as part of their infrastructure improvements, a new road will be built that provides our development with direct access to the neighboring Kroger.
- Located directly off of Nashville Pike (27.2K VPD) and only a couple of minutes from State Route 386 (47.6K VPD) our site provides easy access to all that Nashville has to offer. Some nearby points of interest include:
 - Gap Distribution (1,575 Employees): 7 min, 2.2 mi
 - Downtown Gallatin: 12 min, 5.1 mi
 - Hendersonville: 12 min, 6.6 mi
 - Sumner Regional Medical Center (1,075 Employees): 15 min, 5.8 mi
 - Downtown Nashville: 30 min, 19.3 mi
- The City of Gallatin, growing a total of 56.4% over the last 15 years, and Sumner County (28.7%) have experienced explosive growth, outpacing the Nashville MSA (27.3%). Our development site's centralized location in Sumner County, between Gallatin and Hendersonville, places future residents at the heart of the area's dynamic growth.
- Within the immediate area of the site (3-mile radius), average incomes of \$150,000 (by 22%) and home values of \$700,000 (by 25%) exceed the MSA averages. Furthermore, Sumner County ranks #3 in both home values and household incomes across the 14 counties that make up the Nashville MSA.



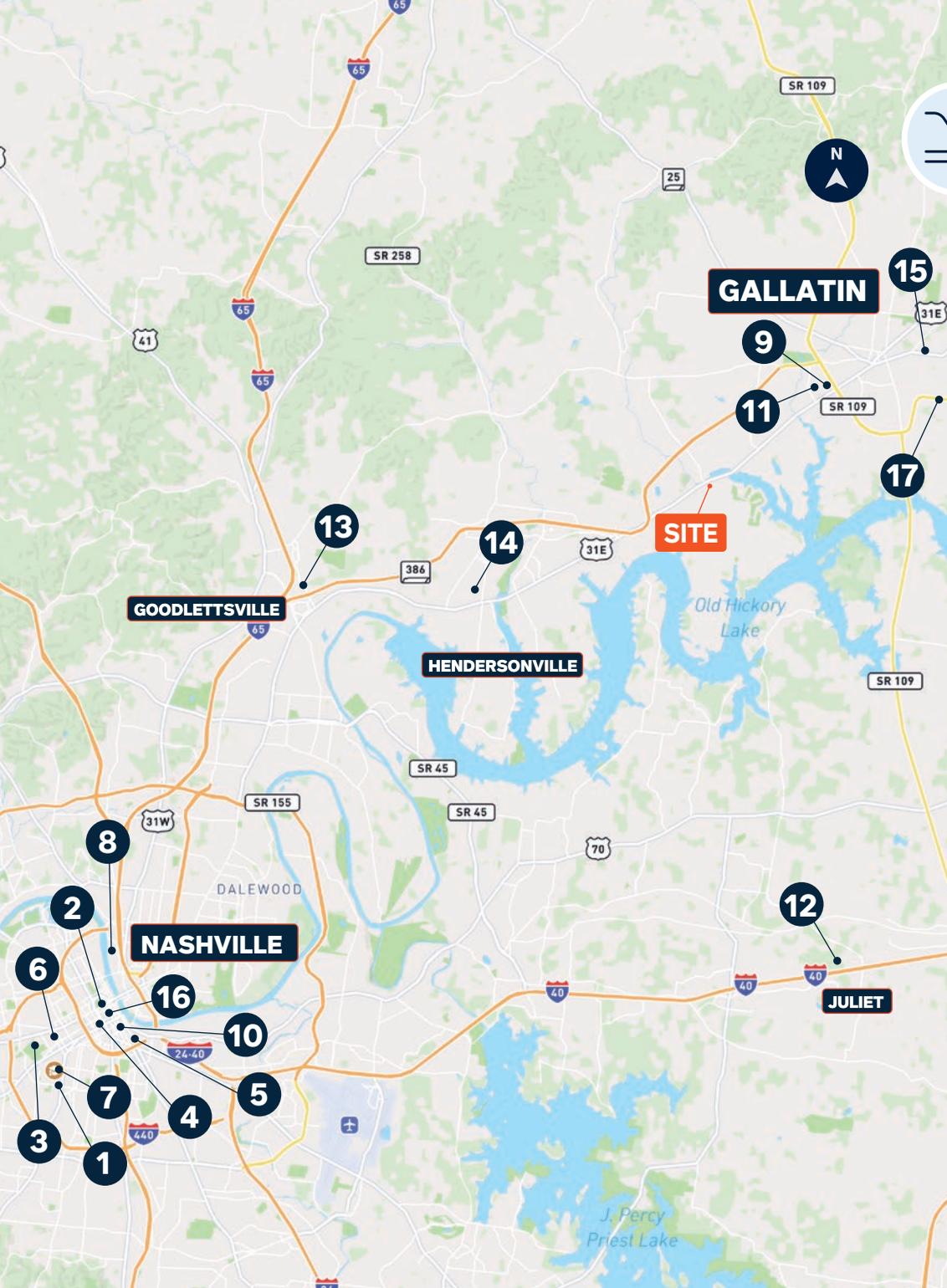
MARKET HIGHLIGHTS

- The Nashville Metro has seen a massive influx of migration due to its affordable cost of living and growing job market. According to John Burns Research & Consulting, Nashville ranks as the #8 metro in the U.S. for net household move-ins over the latest 12-month period, based on domestic address-change data from Melissa, Inc. This strong ranking underscores the city's sustained appeal and robust migration trends among major growth markets nationwide.
- Sumner County School District ranks #4 in the Nashville Metro and top #20 in the state of Tennessee, driving growth and household formation within the county, per Niche. The designated schools for our development site are the highest ranked schools within Sumner County.
- Since 2019, the Nashville MSA has seen strong rent growth, averaging 5.0% annually. Sumner County has outpaced the MSA by over 0.3% annually, averaging 5.3% over the last 6 years. RealPage projects that Sumner County's rent growth will continue to outpace the Nashville MSA by 0.4% until the end of 2029. Further, several of our top rental comparable properties have achieved strong rent growth YTD:
 - Vintage Foxland: 6.8% rent growth YTD
 - Bexley Parkstone: 6.6% rent growth YTD
- Nashville has been a host for major economic headlines over the past few years:
 - Oracle Campus (8,500 direct jobs | 11,500 ancillary jobs): 25 min, 18.1 mi
 - Airport Expansion - \$2.9B investment: 30 min, 17.1 mi
 - Amazon - \$230M investment (5,000 jobs): 30 min, 19.6 mi
 - AllianceBernstein - \$70M investment (1,050 jobs): 29 min, 19.3 mi

Sources: RealPage, ESRI, John Burns Research & Consulting, Melissa, INC, Niche

Market Aerial





MAJOR EMPLOYERS

		# EMPLOYEES	DISTANCE
1	Vanderbilt University Medical Center**	31,995	25.6 mi
2	State of Tennessee*	28,185	23.5 mi
3	HCA Healthcare Inc.*	27,700	25.2 mi
4	Amazon Regional HQ	13,200	19.5 mi
5	Nashville/Davidson County Government*	11,072	24.2 mi
6	Ascension St. Thomas*	10,069	24.8 mi
7	Vanderbilt University	9,289	25.0 mi
8	Oracle**	8,500	18.2 mi
9	Sumner County Government / Schools*	4,675	3.3 mi
10	Bridgestone Regional HQ	1,700	19.1 mi
11	GAP	1,575	2.1 mi
12	Under Armour	1,500	11.8 mi
13	Dollar General Regional HQ	1,448	10.2 mi
14	Xtend Healthcare	1,105	6.3 mi
15	Sumner Regional Medical Center	1,075	5.9 mi
16	Alliance Bernstein	1,050	19.2 mi
17	ABC Technologies	1,000	5.9 mi

*Indicates multiple locations

**Indicates growth over next 10 years

Nearby Retail



Preliminary Site Plan



Estimated Stabilized Proforma

Income								
Unit Count	Percent of Total	Unit Type	Average Unit Size	Total SF	Market Rents	Average Rent	Average Rent/SF	Scheduled Monthly Rent
124	36%	One Bedroom One Bath	801	99,316	\$1,587	\$1,587	\$1.98	\$196,730
182	54%	Two Bedroom Two Bath	1,199	218,147	\$1,958	\$1,958	\$1.63	\$356,430
34	10%	Three Bedroom Two Bath	1,437	48,867	\$2,216	\$2,216	\$1.54	\$75,345
340	100%		1,077	366,330	\$1,849	\$1,849	\$1.72	\$628,505
All Units at Market Rent			\$7,542,060					
Loss-to-Lease (-)			\$0					
Projected Rent Growth			\$731,885					
Gross Potential Rent			\$8,273,945					

Other Income	Annual Income	Monthly	Per Unit Per Month	%
Application/Administration Fees	\$41,602	\$3,467	\$10.20	3.04%
Pet Deposit Fees & Rent	\$55,250	\$4,604	\$13.54	4.04%
Short-Term/Month to Month Lease Fees	\$40,800	\$3,400	\$10.00	2.99%
Detached Garages (56 units)	\$127,470	\$10,623	\$31.24	9.33%
Reserved Parking	\$11,730	\$978	\$2.88	1.07%
Water/Sewer Income	\$148,257	\$12,355	\$36.34	10.85%
Late Fees	\$17,442	\$1,454	\$4.28	1.28%
Lease Termination Fees	\$75,439	\$6,287	\$18.49	5.52%
Miscellaneous Income	\$3,600	\$300	\$0.88	0.26%
Damages/Cleaning/Security Deposit Forfeitures	\$31,008	\$2,584	\$7.60	2.27%
Bundle Income (High Speed Internet, Smart Home Features, Valet Trash, Pest Control, Etc)	\$581,400	\$48,450	\$142.50	42.55%
Fenced First Floor Units	\$95,760	\$7,980	\$23.47	7.01%
Premium Units	\$46,200	\$3,850	\$11.32	3.38%
Projected Other Income Growth	\$90,301	\$7,525	\$22.13	6.61%
Total Other Income	\$1,366,259	\$106,330	\$334.87	100.21%
Gross Potential Income (GPI)	\$9,640,204			
Vacancy [^]	\$413,697	5.00%		
Collections Loss (Bad Debt)	\$41,370	0.50%		
Concessions	\$82,739	1.00%		
Effective Gross Income (EGI)	\$9,102,398	6.50%	Total Economic Vacancy	

[^] Calculated as a Percentage of Gross Potential Rent

Expenses				
	Annual Expenses	Expenses Per Unit	Expenses Per SF	Expenses % of EGI
On-Site Personnel & Benefits	\$544,000	\$1,600	\$1.48	5.98%
Advertising and Marketing	\$96,000	\$282	\$0.26	1.05%
Turnover Costs	\$93,696	\$276	\$0.26	1.03%
Repairs & Maintenance / Contract Services	\$221,000	\$650	\$0.60	2.43%
Utilities	\$459,216	\$1,351	\$1.25	5.05%
Administrative Expense	\$136,000	\$400	\$0.37	1.49%
Total Controllable Expenses	\$1,549,912	\$4,559	\$4.23	17.03%
Property Taxes	\$645,320	\$1,898	\$1.76	7.09%
Insurance	\$195,500	\$575	\$0.53	2.15%
Professional Management (3% of EGI)*	\$273,072	\$803	\$0.75	3.00%
Reserves (Capital Improvements)	\$51,000	\$150	\$0.14	0.56%
Total Non-Controllable Expenses	\$1,164,892	\$3,426	\$3.18	12.80%
Projected Expense Growth	\$142,112	\$418	\$0.39	1.56%
Total Expenses	\$2,856,916	\$8,403	\$7.80	31.39%
Expenses Net of Taxes and Insurance	\$2,016,096	\$5,930	\$5.50	22.15%
Net Operating Income	\$6,245,481			
Value @ 5.15% CAP RATE	\$121,271,485			
Value Per Unit	\$356,681			
LTV	46%			
DEVELOPMENT YIELD	6.97%			

*Includes related party services and fees outlined on page 17 of this Memorandum and defined within the Limited Partnership Agreement.

Note: Projections of income, expenses, sales proceeds and other information above are based, in part, on assumptions concerning facts and events over which the Partnership and the General Partner will have no control, and which could, if they change, produce results significantly different from those set forth above. See **Factoring the Risk - Risks Relating to Forecasts.**

Estimated Budget

Total Budget		
Land Cost		\$9,125,000
Subtotal Land Cost		\$9,125,000
Geotechnical and Materials Testing		\$184,000
Ecological/Archeological		\$2,500
Environmental Reports		\$6,000
Survey		\$94,000
Appraisal		\$10,000
Title/Closing Fees		\$213,670
Loan Fees		\$420,054
Internal Financing Fee*		\$140,018
Miscellaneous Closing Costs		\$25,000
Lender Inspection Fees		\$25,000
Construction Admin/Owners Rep*		\$1,568,202
Civil Engineering		\$325,000
Architectural		\$698,450
Permits/Impact Fees		\$2,603,671
Construction Interest		\$2,620,252
Land Carry Interest*		\$151,667
Pre Construction Interest		\$75,000
Property Taxes		\$425,000
Legal*		\$75,000
Insurance*		\$568,851
FFE/Startup Cost/Marketing		\$2,388,995
Development Overhead*		\$2,240,288
Soft Cost Contingency		\$249,573
Subtotal Soft Cost		\$15,110,190
Construction Costs*		\$63,165,543
Contingency	3.50%	\$2,210,794
Subtotal Hard Cost		\$65,376,337
Total Development Budget		\$89,611,527
Total Cost Per Unit		\$263,563
Capital Stack		
Bank Loan To Cost	62.50%	\$56,007,205
Required Equity	37.50%	\$33,604,323
		\$89,611,527

Projected Sale Analysis

Projected Sale Analysis		
Stabilized NOI	\$	6,245,481
Projected Exit Cap Rate		5.15%
Sale Price	\$	121,271,485
Sale Price Per Unit	\$	356,681
Sale Price Per Sq. Ft.	\$	331
Less Selling Expenses @ 1%	\$	(1,212,715)
Less Franchise & Excise Taxes	\$	(2,050,000)
Less Transfer Tax @ 0.37%	\$	(448,704)
Net Sale Proceeds	\$	117,560,066
Accumulated Cash	\$	1,975,102
Equity Interest	\$	126,611
Outstanding Mortgage	\$	(56,007,205)
Cash Available for Distribution	\$	63,654,575

*Includes related party services and fees outlined on page 17 of this Memorandum and defined within the Limited Partnership Agreement.

Note: Projections of income, expenses, sales proceeds and other information above are based, in part, on assumptions concerning facts and events over which the Partnership and the General Partner will have no control, and which could, if they change, produce results significantly different from those set forth above. See **Factoring the Risk - Risks Relating to Forecasts.**



DACULA, GEORGIA
Atlanta MSA

PROPERTY 2

Located 40 minutes northeast of Downtown Atlanta, Dacula, a municipality within Gwinnett County, is one of the strongest submarkets boasting some of the top demographics within the Atlanta MSA. Located at the Harbins Rd and Hwy 316 interchange, the location offers easy access to downtown Lawrenceville and employment hubs across the Atlanta MSA. Situated diagonally across the street from a brand-new Publix anchored shopping center and within highly desirable Gwinnett County, the site provides prospective residents a high quality of living. Gwinnett County continues to attract significant investment, including Northside Hospital — Gwinnett’s 17-floor tower expansion, opening in 2026 and generating over 5,000 jobs — and the 2,000-acre Rowen R&D park, just minutes away from our site. Gwinnett County continues to be a top submarket within the Atlanta MSA and our community plans to capitalize on the continued growth in the nearby area and Atlanta MSA.



UNITS

300 Units

TOTAL ACREAGE

14.6 Acres

PRODUCT TYPE

Metro

Property Highlights



SITE HIGHLIGHTS

- The development site is located on approximately 14.6 acres and will consist of 300 Metro units and approximately 9,700 sf of integrated commercial space in the rapidly growing Gwinnett County, GA.
- Our site is strategically located less than a quarter mile from a brand-new, Publix-anchored retail center, which will allow future residents quick access to a grocery store, beauty services, and fast-food restaurants. Further, a new Chick-fil-A is under construction adjacent to our development site.
- Located 5.7 miles east of downtown Lawrenceville, the epicenter of Gwinnett County, future residents will have easy access to surrounding points of interest. Located at the Harbins Rd (12,757 VPD) and Hwy 316 (47,300 VPD) interchange, some nearby points of interest include:
 - Downtown Lawrenceville: 15 minutes, 5.7 miles
 - The Exchange: 19 minutes, 8.1 miles
 - Mall of Georgia: 22 minutes, 8.4 miles
 - Gwinnett Place: 22 minutes, 13.9 miles
 - Downtown Atlanta: 40 minutes, 32.2 miles
 - Downtown Athens: 40 minutes, 30.5 miles
- With direct access to 1M+ jobs within a 35-minute drive, the development site is strategically positioned in one of Atlanta's strongest suburban markets and will benefit from Gwinnett County's stout demographics and economic growth. Within a 3-mile radius of our development, the population growth over the last 15 years (46.9%) has more than doubled the MSA population growth rate (20.1%). Further, median household incomes and home values exceed the greater MSA medians by 11% and 4%, respectively. Gwinnett County has seen new major investments including:
 - Northside Hospital – Gwinnett, located 7 miles from our development site, is under construction on a 17-floor tower expansion, featuring over 300 beds. This expansion is set to open in 2026 and is expected to generate an additional 5,000 jobs.

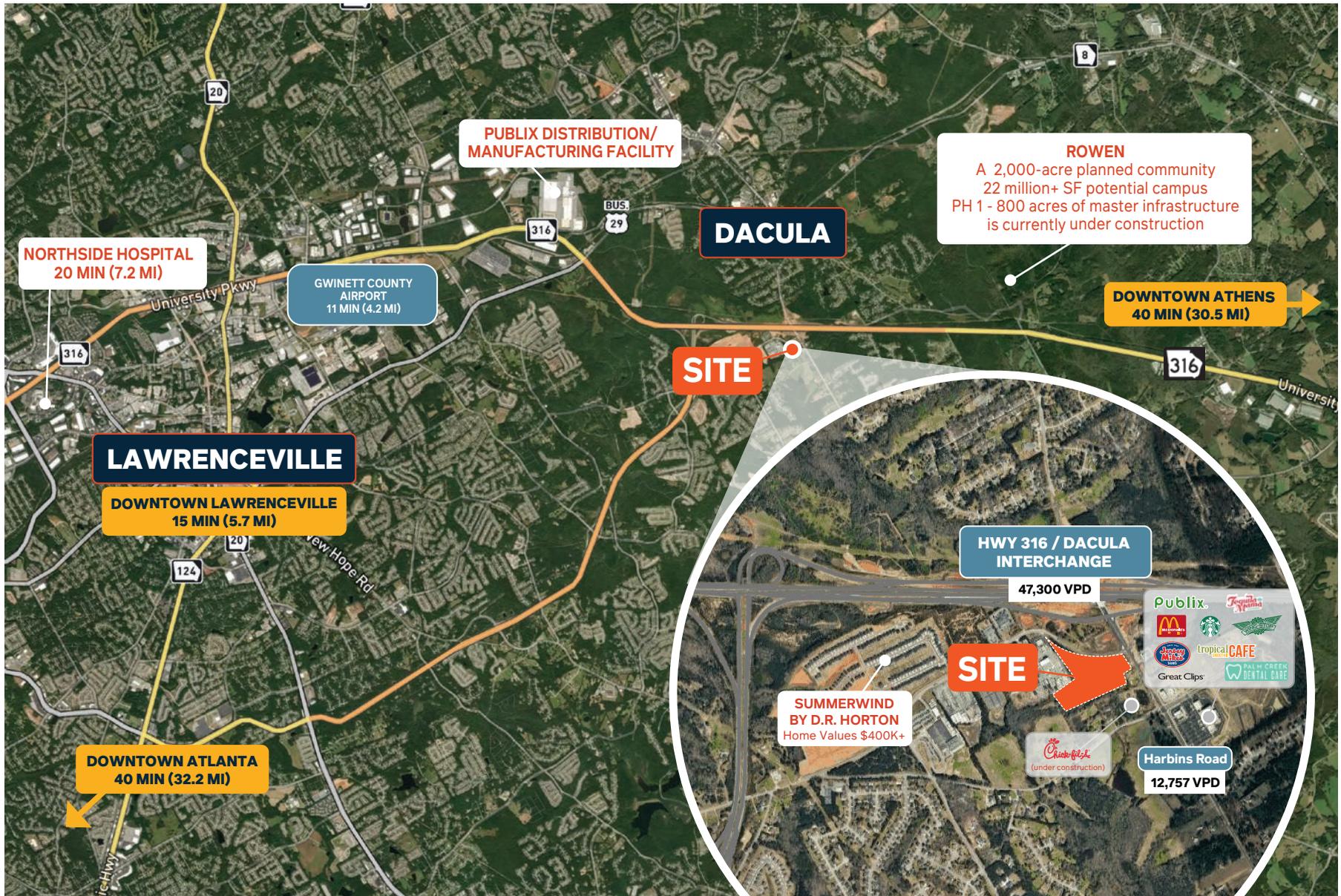


MARKET HIGHLIGHTS

- The Atlanta MSA has a 94% market-wide occupancy rate per RealPage. Further, our stabilized competitive set is performing in line with the MSA average (94%), and new product has displayed strong lease-up velocity:
 - Aventon Gwynn: 25.1 leases / mo; opened September 2024
 - The Margot: 17.4 leases / mo; opened January 2024
 - The Whitby: 23.4 leases / mo; recently stabilized
- Rowen, 2.5 miles from our development site, is a 2,000-acre mixed-use development that is projected to create 100,000 jobs at full build out. The mixed-use development could entail more than 22M sf of lab, office, and civil spaces. Although the development is expected to take multiple decades to be fully built out, the development has broken ground and is expected to complete phase 1 of its infrastructure by the end of 2025.
- Gwinnett County, home to over 1M residents, would be the 13th largest MSA in the Southeast if it were not part of the Atlanta MSA. 97% of the total workforce is currently employed and has a strong average household income of \$113,000. The total population in Gwinnett County grew by 62,762 people in the last 5 years and is projected to grow by another 46,433 people in the next 5 years.
- Atlanta is the undisputed capital of the Southeast, serving as a major economic powerhouse and home to 16 Fortune 500 headquarters and 29 Fortune 1000 headquarters. The MSA boasts an impressive roster of industry leaders, including The Home Depot, Delta Air Lines, Coca-Cola, NCR, AGCO, Veritiv, Asbury Automotive, Global Payments, UPS, Newell Brands, PulteGroup, Southern Company, Genuine Parts Company, WestRock, and Graphic Packaging.
- The Atlanta Market remains at the top of many desirable rankings:
 - #1 Airport in the World since 1998
 - Top 5 Moving Destination in the U.S. since 2022
 - Top 7 City with most Fortune 500 Companies

Sources: RealPage, CoStar, ESRI, BLS, Chmura, Metro Atlanta Chamber, goPenske, fred.stlouisfed.org and WABE

Market Aerial



MAJOR EMPLOYERS

		# EMPLOYEES	DISTANCE
1	Emory University	25,000	27.6 mi
2	Gwinnett County Public Schools*	23,000	10.1 mi
3	Piedmont Atlanta Hospital	5,900	31.0 mi
4	Northside Hospital	5,800	7.2 mi
5	Centers for Disease Control & Prevention*	4,600	27.8 mi
6	Gwinnett County Government*	4,000	5.8 mi
7	Publix/Distribution & Manufacturing	2,800	2.7 mi
8	Equifax	2,500	30.9 mi
9	Emory St. Joseph's Hospital	2,100	26.5 mi
10	United Parcel Service	2,080	26.9 mi
11	Primerica	1,800	11.9 mi
12	Georgia Gwinnet College	1,515	6.3 mi
13	Piedmont Eastside Medical Center	1,200	9.9 mi
14	Northside Hospital Duluth	850	15.8 mi
15	WIKA Instrument, LP	807	9.3 mi
16	Lund International	750	7.9 mi
17	Price Industries Inc.	700	10.9 mi
18	PAI Industries Inc.	500	10.2 mi

*Indicates multiple locations



Nearby Retail



Site Plan



Estimated Stabilized Proforma

Income								
Unit Count	Percent of Total	Unit Type	Average Unit Size	Total SF	Market Rents	Average Rent	Average Rent/SF	Scheduled Monthly Rent
121	40%	One Bedroom One Bath	737	89,191	\$1,640	\$1,640	\$2.22	\$198,410
151	50%	Two Bedroom Two Bath	1,155	174,341	\$2,143	\$2,143	\$1.86	\$323,550
28	9%	Three Bedroom Two Bath	1,448	40,544	\$2,495	\$2,495	\$1.72	\$69,860
300	100%		1,014	304,076	\$1,973	\$1,973	\$1.95	\$591,820
All Units at Market Rent				\$7,101,840				
Loss-to-Lease (-)				\$0				
Projected Rent Growth				\$671,933				
Gross Potential Rent					\$7,773,773			

Other Income	Annual Income	Monthly	Per Unit Per Month	%
Application/Administration Fees	\$36,708	\$3,059	\$10.20	2.56%
Pet Deposit Fees & Rent	\$52,500	\$4,375	\$14.58	3.66%
Short-Term/Month to Month Lease Fees	\$36,000	\$3,000	\$10.00	2.51%
Detached Garages (45 units)	\$102,431	\$8,536	\$28.45	7.13%
Reserved Parking Spaces	\$20,400	\$1,700	\$5.67	1.42%
Water/Sewer Income	\$130,815	\$10,901	\$36.34	9.11%
Late Fees	\$15,390	\$1,283	\$4.28	1.07%
Lease Termination Fees	\$71,028	\$5,919	\$19.73	4.95%
Miscellaneous Income	\$3,600	\$300	\$1.00	0.25%
Damages/Cleaning/Security Deposit Forfeitures	\$27,360	\$2,280	\$7.60	1.91%
Bundle Income (High Speed Internet, Smart Home Features, Valet Trash, Pest Control, Etc)	\$513,000	\$42,750	\$142.50	35.73%
Fenced First Floor Units	\$42,750	\$3,563	\$11.88	2.98%
Commercial Income: 9,700 SF (Net Rent: \$32 CAM: \$10)	\$264,810	\$22,068	\$73.56	18.44%
Premium Units	\$44,100	\$3,675	\$12.25	3.07%
Projected Other Income Growth	\$74,811	\$6,234	\$20.78	5.21%
Total Other Income	\$1,435,703	\$119,642	\$398.81	100.00%
Gross Potential Income (GPI)	\$9,209,477			
Vacancy [^]	\$388,689	5.00%		
Collections Loss (Bad Debt)	\$38,869	0.50%		
Concessions	\$77,738	1.00%		
Effective Gross Income (EGI)	\$8,704,181	6.50%	Total Economic Vacancy	

[^] Calculated as a Percentage of Gross Potential Rent

Expenses	Annual Expenses	Expenses Per Unit	Expenses Per SF	Expenses % of EGI
On-Site Personnel & Benefits *	\$495,000	\$1,650	\$1.63	5.69%
Advertising and Marketing	\$96,000	\$320	\$0.32	1.10%
Turnover Costs	\$82,673	\$276	\$0.27	0.95%
Repairs & Maintenance / Contract Services	\$212,500	\$708	\$0.70	2.44%
Utilities	\$405,300	\$1,351	\$1.33	4.66%
Administrative Expense*	\$120,000	\$400	\$0.39	1.38%
Additional Commercial Expense (Insurance + CAM)	\$67,000	\$223	\$0.22	0.77%
Total Controllable Expenses	\$1,478,473	\$4,928	\$4.86	16.99%
Property Taxes (Multifamily)	\$894,600	\$2,982	\$2.94	10.28%
Property Taxes (Commercial)	\$30,000	\$100	\$0.10	0.34%
Insurance	\$202,500	\$675	\$0.67	2.33%
Professional Management - Multifamily (3% of EGI)*	\$253,181	\$844	\$0.83	2.91%
Professional Management - Commercial (5% of EGI)*	\$13,241	\$44	\$0.04	0.15%
Reserves (Capital Improvements)	\$45,000	\$150	\$0.15	0.52%
Total Non-Controllable Expenses	\$1,438,522	\$4,795	\$4.73	16.53%
Projected Expense Growth	\$127,559	\$425	\$0.42	1.47%
Total Expenses	\$3,044,554	\$10,149	\$10.01	34.98%
Expenses Net of Taxes and Insurance	\$1,947,454	\$6,492	\$6.40	22.37%
Net Operating Income	\$5,659,627			
Value @ 5.39% CAP RATE	\$105,099,847			
Value Per Unit	\$350,333			
LTV	48%			
Development Yield	7.00%			

*Includes related party services and fees outlined on page 17 of this Memorandum and defined within the Limited Partnership Agreement.

Note: Projections of income, expenses, sales proceeds and other information above are based, in part, on assumptions concerning facts and events over which the Partnership and the General Partner will have no control, and which could, if they change, produce results significantly different from those set forth above. See **Factoring the Risk - Risks Relating to Forecasts.**

Estimated Budget

Total Budget		
Land Cost		\$5,575,000
Subtotal Land Cost		\$5,575,000
Geotechnical and Materials Testing		\$184,000
Ecological/Archeological		\$10,500
Environmental Reports		\$3,605
Survey		\$69,500
Traffic Study		\$19,500
Appraisal		\$10,000
Title/Closing Fees		\$255,000
Loan Fees		\$395,195
Internal Financing Fee*		\$126,257
Miscellaneous Closing Costs		\$25,000
Lender Inspection Fees		\$25,000
Construction Admin/Owners Rep*		\$1,414,073
Civil Engineering		\$439,200
Architectural		\$836,250
Permits/Impact Fees		\$1,444,317
Construction Interest		\$2,261,820
Land Carry Interest*		\$297,332
Pre Construction Interest		\$75,000
Property Taxes		\$275,000
Legal*		\$55,000
Insurance*		\$555,384
FFE/Startup Cost/Marketing		\$2,068,012
Retail Leasing Commissions / Tenant Improvements		\$1,004,144
Development Overhead*		\$2,020,104
Soft Cost Contingency		\$239,048
Subtotal Soft Cost		\$14,108,240
Construction Costs*		\$59,054,042
Contingency	3.50%	\$2,066,891
Subtotal Hard Cost		\$61,120,934
Total Development Budget		\$80,804,174
Total Cost Per Unit		\$269,347
Capital Stack		
Bank Loan To Cost	62.50%	\$50,502,609
Required Equity	37.50%	\$30,301,565
		\$80,804,174

Projected Sale Analysis

Projected Sale Analysis		
Stabilized NOI	\$	5,659,627
Projected Exit Cap Rate		5.39%
Sale Price	\$	105,099,847
Sale Price Per Unit	\$	350,333
Sale Price Per Sq. Ft.	\$	346
Less Selling Expenses @ 1%	\$	(1,050,998)
Less Transfer Tax @ 0.1%	\$	(105,100)
Net Sale Proceeds	\$	103,943,749
Accumulated Cash	\$	1,716,180
Equity Interest	\$	169,715
Outstanding Mortgage	\$	(50,502,609)
Cash Available for Distribution	\$	55,327,035

*Includes related party services and fees outlined on page 17 of this Memorandum and defined within the Limited Partnership Agreement.

Note: Projections of income, expenses, sales proceeds and other information above are based, in part, on assumptions concerning facts and events over which the Partnership and the General Partner will have no control, and which could, if they change, produce results significantly different from those set forth above. See **Factoring the Risk - Risks Relating to Forecasts.**



RENO, NEVADA

Reno MSA

PROPERTY 3

Known as “The Biggest Little City in the World,” Reno offers a diverse economy anchored by the technology, automotive, and healthcare industries, fueling a dynamic job market and steady population growth. The Tahoe-Reno Industrial Center (TRIC) is the largest industrial park in the world, employing over 20,000 people and driving a significant portion of the job growth present in the market. Beyond its economic vitality, Reno’s intrinsic quality of life is a powerful draw. Its unparalleled proximity to Lake Tahoe and breathtaking surrounding natural landscape creates an idyllic setting that appeals to a broad spectrum of residents and visitors alike. This strong appeal, coupled with a more attainable cost of living, further amplifies the city’s magnetic pull for individuals and families seeking both professional opportunity and an enriched lifestyle. With its expanding infrastructure and strategic location near major West Coast cities, Reno presents promising opportunities for robust economic growth, favorable business climate, and vibrant quality of life.



UNITS

273 Units

TOTAL ACREAGE

9.5 Acres

PRODUCT TYPE

Metro

Property Highlights



SITE HIGHLIGHTS

- The site is on the southeast corner of Plumas St (5,270 VPD) and S McCarran Blvd (31,400 VPD) providing excellent connectivity to I-580 (124,000 VPD) which provides easy access to downtown Reno (12 minutes), the Reno-Tahoe International Airport (8 minutes), and the Tahoe-Reno Industrial Center (24 minutes).
- The site is in southwest Reno, an area of established and highly sought-after residential neighborhoods and Class A Retail where large undeveloped tracts of land are hard to find.
- Within 1.5 miles, the site will provide residents with close proximity to an array of retail and fast-casual restaurant options including Walmart, Sam's Club, TJ Maxx, Best Buy, Chipotle, Five Guys, Red Robin, Chick-fil-A, Red Lobster, the Redfield Promenade Shopping Mall, and much more.
- The site provides easy accessibility to top employers in Reno, including the Tahoe-Reno Industrial Center (20,000 employees), Renown Medical Center (7,300 employees), and University of Nevada, Reno (8,254 employees).
- The site has easy access to the Grand Sierra Resort, a premier Casino Resort, which put \$1 billion towards a decade-long redevelopment. This is the largest private capital investment in the city's history.
- The site is located less than 1 mile from Rancharra, an upscale social club with high end housing and upscale retail located within the Village at Rancharra.
- Within a 1-mile radius of the site, there are strong demographics:
 - Average Household Income: \$149,480 per Esri
 - Average Home Value: \$829,071 per Esri

Sources: Esri, Renown Health, University of Nevada Reno, Grand Sierra Resort, U.S. News & World Report, Travel + Leisure, Livability.com



MARKET HIGHLIGHTS

- The Reno MSA has a population of 588,069 and experienced an annual growth rate of 1.29% from 2020 – 2025. It ranked #8 on U.S. News & World Report's Fastest-Growing Places in the U.S. in 2024-2025.
- The Reno MSA average household income is \$121,655 and the average home value is \$620,648.
- Reno is ranked as one of the 9 best places to live in the Western U.S. per Travel + Leisure and was ranked as the 21st best place to live in the west by Livability.com, which uses nearly 100 data points to rank the cities; such as economy, housing and cost of living, amenities, transportation, environment, safety, education, and health.
- Reno is a short 40-minute drive from Mount Rose and Lake Tahoe, offering the population outdoor quality of life amenities such as beaches, mountains, hiking, skiing, and breathtaking views just a short distance away.
- The Tahoe-Reno Industrial Center (TRIC) rests just east of Reno and is the largest (102,000 acre) industrial park in the world. It includes Tesla, Panasonic, and Heitkamp & Thumann gigafactories, and the center's 150+ businesses employ over 20,000 people.

Market Aerial

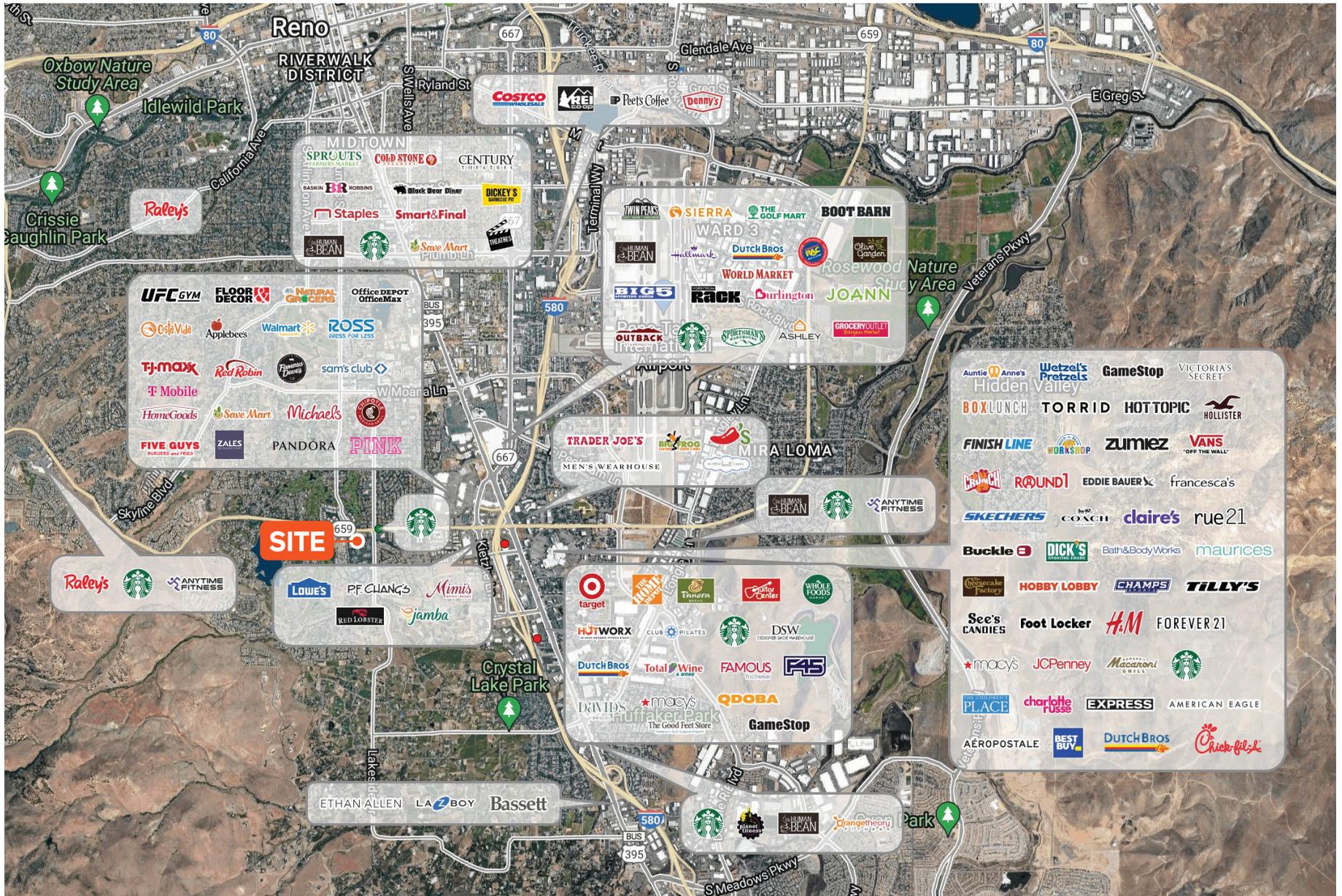




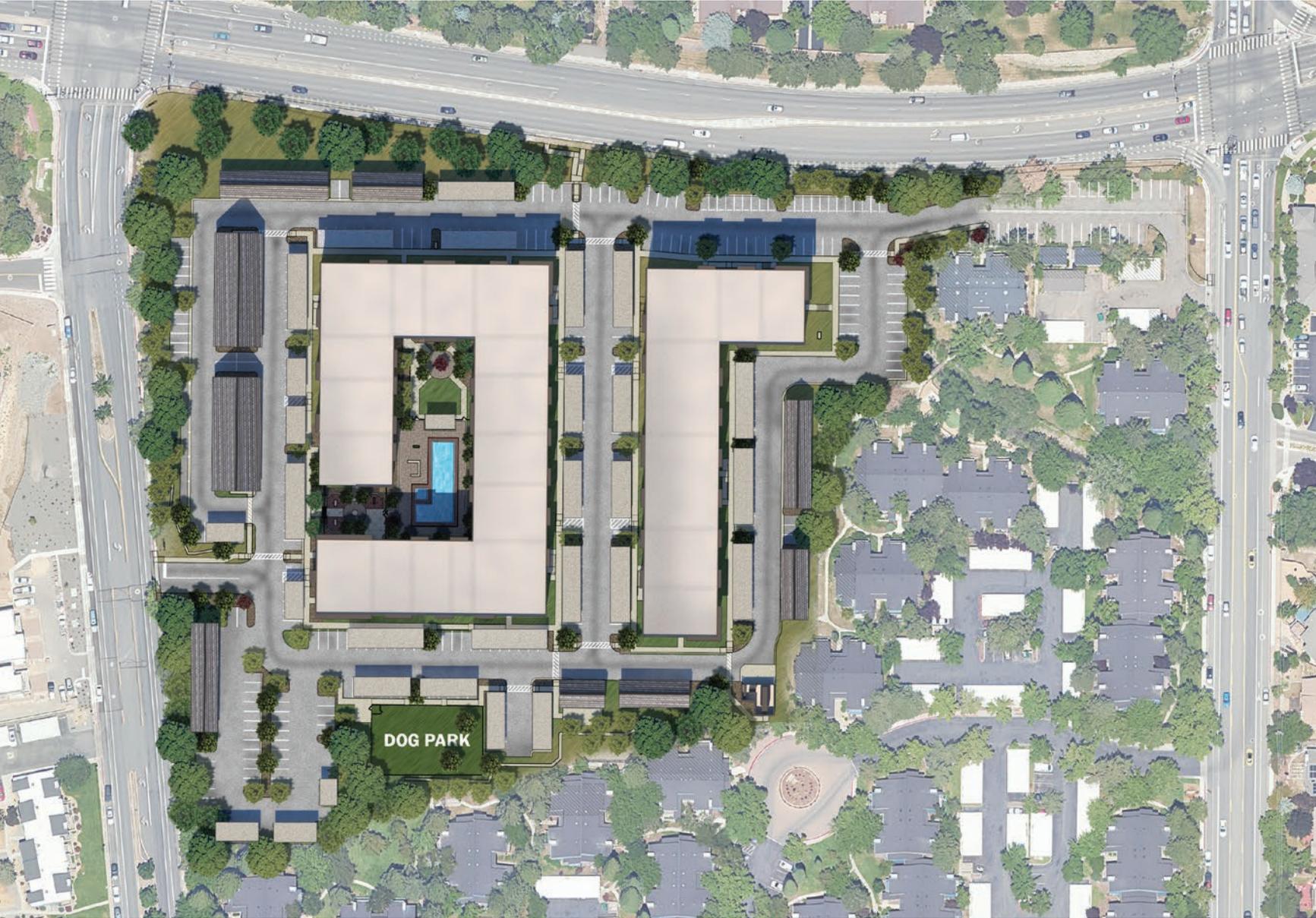
MAJOR EMPLOYERS

		# EMPLOYEES	DISTANCE
1	Tesla Gigafactory	12,000	20.3 mi
2	University of Nevada, Reno	8,254	4.7 mi
3	Renown Medical Center	7,300	3.5 mi
4	Panasonic Energy	4,000	20.3 mi
5	Washoe County	3,100	4.4 mi
6	IGT	2,524	3.0 mi
7	Reno-Tahoe International Airport	2,400	2.8 mi
8	St. Mary's Health Network	2,059	3.9 mi
9	Amazon Fulfillment Center	1,500	6.3 mi
10	Hamilton Company	1,000	3.4 mi
11	Apple Data Center	800	15.1 mi
12	Switch Reno Data Center	500	18.0 mi
13	Google	500	20.3 mi

Nearby Retail



Site Plan



Estimated Stabilized Proforma

Income								
Unit Count	Percent of Total	Unit Type	Average Unit Size	Total SF	Market Rents	Average Rent	Average Rent/SF	Scheduled Monthly Rent
12	4%	Studio	567	6,801	\$1,741	\$1,741	\$3.07	\$20,895
127	47%	One Bedroom One Bath	727	92,268	\$1,999	\$1,999	\$2.75	\$253,910
118	43%	Two Bedroom Two Bath	1,162	137,127	\$2,590	\$2,590	\$2.23	\$305,595
16	6%	Three Bedroom Two Bath	1,487	23,792	\$2,996	\$2,996	\$2.01	\$47,940
273	100%		952	259,988	\$2,302	\$2,302	\$2.42	\$628,340
All Units at Market Rent			\$7,540,080					
Loss-to-Lease (-)			\$0					
Projected Rent Growth			\$867,246					
Gross Potential Rent			\$8,407,326					

Other Income	Annual Income	Monthly	Per Unit Per Month	%
Application/Administration Fees	\$33,404	\$2,784	\$10.20	2.72%
Pet Deposit Fees & Rent	\$49,140	\$4,095	\$15.00	4.00%
Short-Term/Month to Month Lease Fees	\$32,760	\$2,730	\$10.00	2.67%
Detached Garages (71 units)	\$158,040	\$13,170	\$48.24	12.87%
Reserved Parking Spaces	\$11,664	\$972	\$3.56	0.95%
Storage Closets	\$6,210	\$518	\$1.90	0.51%
Private Focus Rooms	\$8,400	\$700	\$2.56	0.68%
Water/Sewer Income	\$119,042	\$9,920	\$36.34	9.69%
Late Fees	\$14,005	\$1,167	\$4.28	1.14%
Lease Termination Fees	\$75,414	\$6,285	\$23.02	6.14%
Miscellaneous Income	\$3,600	\$300	\$1.10	0.29%
Damages/Cleaning/Security Deposit Forfeitures	\$24,898	\$2,075	\$7.60	2.03%
Bundle Income (High Speed Internet, Smart Home Features, Valet Trash, Pest Control, Etc)	\$466,830	\$38,903	\$142.50	38.02%
Carpport Income	\$105,768	\$8,814	\$32.29	8.61%
Premium Units	\$39,900	\$3,325	\$12.18	3.25%
Projected Other Income Growth	\$78,909	\$6,576	\$24.09	6.43%
Total Other Income	\$1,227,984	\$95,756	\$374.84	100.00%

Gross Potential Income (GPI)	\$9,635,310			
Vacancy [^]	\$420,366	5.00%		
Collections Loss (Bad Debt)	\$42,037	0.50%		
Concessions	\$84,073	1.00%		
Effective Gross Income (EGI)	\$9,088,834	6.50%	Total Economic Vacancy	

[^] Calculated as a Percentage of Gross Potential Rent

Expenses				
	Annual Expenses	Expenses Per Unit	Expenses Per SF	Expenses % of GPI
On-Site Personnel & Benefits *	\$436,800	\$1,600	\$1.68	4.81%
Advertising and Marketing	\$96,000	\$352	\$0.37	1.06%
Turnover Costs	\$75,232	\$276	\$0.29	0.83%
Repairs & Maintenance / Contract Services	\$191,450	\$701	\$0.74	2.11%
Utilities	\$368,485	\$1,350	\$1.42	4.05%
Administrative Expense *	\$109,200	\$400	\$0.42	1.20%
Total Controllable Expenses	\$1,277,167	\$4,678	\$4.91	14.05%
Property Taxes	\$686,322	\$2,514	\$2.64	7.55%
Insurance	\$197,925	\$725	\$0.76	2.18%
Professional Management (3% of EGI)*	\$272,665	\$999	\$1.05	3.00%
Reserves (Capital Improvements)	\$40,950	\$150	\$0.16	0.45%
Total Non-Controllable Expenses	\$1,197,862	\$4,388	\$4.61	13.18%
Projected Expense Growth	\$116,569	\$427	\$0.45	1.28%
Total Expenses	\$2,591,598	\$9,493	\$9.97	28.51%
Expenses Net of Taxes and Insurance	\$1,707,351	\$6,254	\$6.57	18.79%
Net Operating Income	\$6,497,236			
Value @ 5.16% CAP RATE	\$126,037,547			
Value Per Unit	\$461,676			
LTV	47%			
DEVELOPMENT YIELD	6.90%			

*Includes related party services and fees outlined on page 17 of this Memorandum and defined within the Limited Partnership Agreement.

Note: Projections of income, expenses, sales proceeds and other information above are based, in part, on assumptions concerning facts and events over which the Partnership and the General Partner will have no control, and which could, if they change, produce results significantly different from those set forth above. See **Factoring the Risk - Risks Relating to Forecasts.**

Estimated Budget

Total Budget		
Land Cost		\$13,182,000
Subtotal Land Cost		\$13,182,000
Geotechnical and Materials Testing		\$170,000
Environmental Reports		\$7,000
Survey		\$77,000
Miscellaneous		\$16,320
Appraisal		\$10,000
Title/Closing Fees		\$70,852
Loan Fees		\$441,437
Internal Financing Fee*		\$147,146
Miscellaneous Closing Costs		\$25,000
Lender Inspection Fees		\$45,000
Construction Admin/Owners Rep*		\$1,648,031
Civil Engineering		\$477,488
Architectural		\$844,500
Permits/Impact Fees		\$6,587,173
Construction Interest		\$2,998,498
Land Carry Interest*		\$386,390
Pre Construction Interest		\$25,000
Property Taxes		\$372,975
Legal*		\$110,000
Insurance*		\$492,143
FFE/Startup Cost/Marketing		\$2,231,259
Development Overhead*		\$2,354,330
Soft Cost Contingency		\$243,977
Subtotal Soft Cost		\$19,781,518
Construction Costs*		\$59,139,788
Contingency	3.50%	\$2,069,893
Subtotal Hard Cost		\$61,209,681
Total Development Budget		\$94,173,199
Total Cost Per Unit		\$344,957
Capital Stack		
Bank Loan To Cost	62.50%	\$58,858,250
Required Equity	37.50%	\$35,314,950
		\$94,173,199

Projected Sale Analysis

Projected Sale Analysis		
Stabilized NOI	\$	6,497,236
Projected Exit Cap Rate		5.16%
Sale Price	\$	126,037,547
Sale Price Per Unit	\$	461,676
Sale Price Per Sq. Ft.	\$	485
Less Selling Expenses @ 1%	\$	(1,260,375)
Less Transfer Tax @ 0.41%	\$	(516,754)
Net Sale Proceeds	\$	124,260,418
Accumulated Cash	\$	1,346,801
Equity Interest	\$	68,809
Outstanding Mortgage	\$	(58,858,250)
Cash Available for Distribution	\$	66,817,779

*Includes related party services and fees outlined on page 17 of this Memorandum and defined within the Limited Partnership Agreement.

Note: Projections of income, expenses, sales proceeds and other information above are based, in part, on assumptions concerning facts and events over which the Partnership and the General Partner will have no control, and which could, if they change, produce results significantly different from those set forth above. See **Factoring the Risk - Risks Relating to Forecasts.**



KNOXVILLE, TENNESSEE

Knoxville MSA

PROPERTY 4

Located along the recently expanded Schaad Rd. in Northwest Knoxville, the property sits in one of the most sought-after suburban submarkets within the Knoxville MSA. The surrounding area is distinguished by strong demographics and sustained growth. Centrally positioned within a 20-minute drive of three of the region's most affluent communities, Downtown Knoxville, Farragut, and Oak Ridge, the site offers unmatched connectivity across the entire market. Oak Ridge, in particular, serves as one of the largest nuclear hubs in the United States for research, development, and storage, and is home to two of the region's most prominent employers: the Y-12 National Security Complex and Oak Ridge National Laboratory. Together, these institutions employ more than 14,600 professionals and Oak Ridge continues to attract significant federal and private investment, including a \$5 billion commitment by French-based Orano for a state-of-the-art uranium enrichment facility. Additionally, the community will benefit from Black Oak Commons, a proposed grocery-anchored commercial development that will enhance the area's retail offerings and serve as a valuable amenity for future residents.



UNITS

300 Units

TOTAL ACREAGE

17.6 Acres

PRODUCT TYPE

Classic/Select

Property Highlights



SITE HIGHLIGHTS

- The development site is located on approximately 17.6 acres and will consist of 180 Classic and 120 Select units in the growing West Knoxville/ Karns submarket. The immediate area (5-mile radius) has seen significant population growth, growing a total of 18.2% over the last 15 years, outpacing the greater Knoxville market (12.6%) by 5.6%.
- Located immediately off Schaad Rd, which recently underwent a roadway expansion from 2 lanes to 4 lanes, our site is strategically positioned in a centralized location within the Knoxville MSA. Prospective residents will enjoy an improved commute and convenient access to three prolific cities, Downtown Knoxville, Oak Ridge, and Farragut, as well as a wide range of employment opportunities, retail centers, and entertainment venues, all within 20 minutes. Nearby points of interest include:
 - Northwest Crossing: 11 minutes, 4.6 miles
 - Turkey Creek Shopping Center: 20 minutes, 6.1 miles
 - Y-12 National Security Complex (7.8K Employees): 20 minutes, 8.5 miles
 - Downtown Knoxville: 20 minutes, 9.0 miles
 - University of Tennessee (11.6K Employees): 20 minutes, 9.0 miles
 - Oak Ridge National Laboratory (6K Employees): 25 minutes, 12.8 miles
- Black Oak Commons, a proposed 22-acre commercial project located on the SE and NE corners of Schaad Rd and Bakerstown Rd, will be a great amenity for future residents. The proposed commercial development will include a grocery anchored center, a Weigel's C-Store, coffee shop, bank, and car service center.

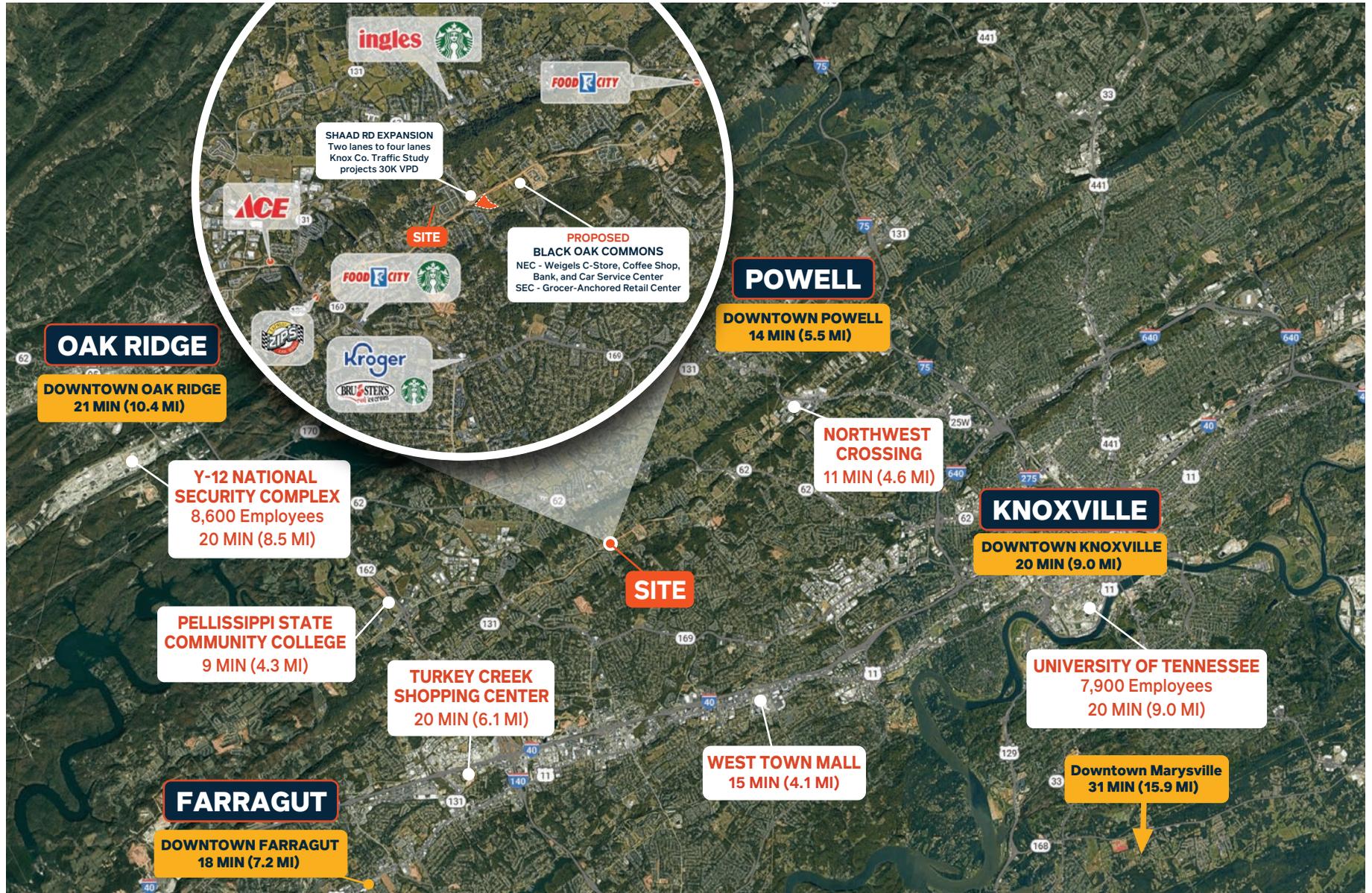


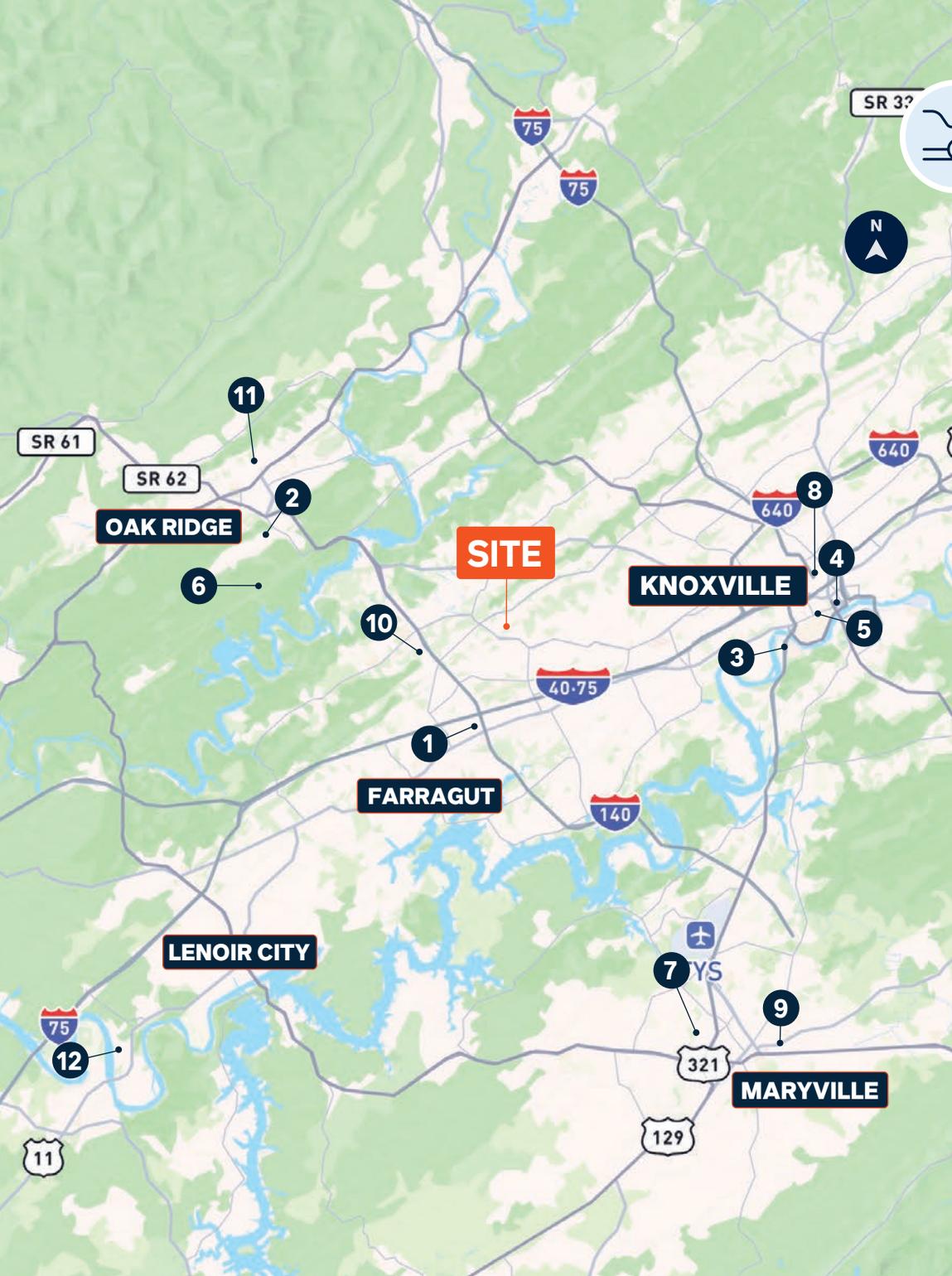
MARKET HIGHLIGHTS

- The Knoxville MSA has experienced exceptional multifamily fundamentals over the last 5 years. As of June 2025, Knoxville displays a healthy 96.1% market-wide occupancy rate and has achieved tremendous rent growth. Over the last five years, Knoxville has seen 11.9% annual rent growth, placing it as the #2 MSA amongst the top 150 MSAs. Further, a nearby property experienced strong lease-up velocity:
 - Chelsea at Cornerstone: 29.1 leases / mo; recently stabilized
- Anchored by Oak Ridge National Laboratory and Y-12 National Security complex, Oak Ridge, TN is one of the largest US Cities for nuclear research, development, and storage. The high paying jobs in Oak Ridge (\$158K average salary) create an excellent renter base for Oak Ridge and West Knoxville. Oak Ridge's nuclear renaissance has created over a \$9.8B impact on Tennessee's economy and has been atop headlines for new major economic developments coming to the area, including:
 - Orano Uranium Enrichment Facility (\$5B investment): 29 minutes, 15.3 miles
 - TRISO-X Uranium Plant (\$300M Investment): 32 minutes, 15.3 miles
 - GE Hitachi Nuclear Energy Plant (\$800M Investment): 33 minutes, 17.6 miles
- Knox County has seen strong population growth since 2010, outpacing the national average over the last 15 years by 6.45%, and is expected to outpace it by 1.70% over the next 5 years. Further, out of the 95 counties in the state of Tennessee, Knox County ranked 5th in the highest number of people added to its population since 2010. Lastly, the University of Tennessee's substantial growth over the last 6 years (20% increase in student enrollment) has led to more employment demand in downtown Knoxville and more students choosing to reside in Knoxville following graduation.

Sources: ESRI, news.utk.edu, Y12.doe.gov, ORNL.gov, RealPage, mycouriernews.com, newcivilengineer.com, thechemicalengineer.com, and irsa.utk.edu

Market Aerial





MAJOR EMPLOYERS

		# EMPLOYEES	DISTANCE
1	Covenant Health*	11,000	5.0 mi
2	Y-12 National Security Complex	8,600	8.5 mi
3	University of Tennessee Medical Center	8,154	8.2 mi
4	Knox County Schools*	7,949	9.6 mi
5	University of Tennessee	7,900	9.0 mi
6	Oak Ridge National Laboratory	6,000	12.8 mi
7	DENSO	5,350	14.9 mi
8	Tennessee Valley Authority (TVA)	5,000	9.3 mi
9	Blount Memorial Hospital	2,799	16.3 mi
10	Pellissippi State Community College	1,150	4.3 mi
11	Methodist Oak Ridge	1,000	9.7 mi
12	Malibu Boats	700	19.6 mi

*Indicates multiple locations

Nearby Retail



Site Plan



Estimated Stabilized Proforma

Income								
Unit Count	Percent of Total	Unit Type	Average Unit Size	Total SF	Market Rents	Average Rent	Average Rent/SF	Scheduled Monthly Rent
120	40%	One Bedroom One Bath	770	92,372	\$1,529	\$1,529	\$1.99	\$183,520
144	48%	Two Bedroom Two Bath	1,179	169,806	\$1,979	\$1,979	\$1.68	\$284,940
36	12%	Three Bedroom Two Bath	1,378	49,590	\$2,223	\$2,223	\$1.61	\$80,040
300	100%		1,039	311,768	\$1,828	\$1,828	\$1.76	\$548,500
All Units at Market Rent			\$6,582,000					
Loss-to-Lease (-)			\$0					
Projected Rent Growth			\$690,751					
Gross Potential Rent			\$7,272,751					

Other Income	Annual Income	Monthly	Per Unit Per Month	%
Application/Administration Fees	\$36,708	\$3,059	\$10.20	3.14%
Pet Deposit Fees & Rent	\$48,750	\$4,063	\$13.54	4.17%
Short-Term/Month to Month Lease Fees	\$36,000	\$3,000	\$10.00	3.08%
Detached Garages (40 units)	\$78,825	\$6,569	\$21.90	6.74%
Reserved Parking Spaces	\$16,740	\$1,395	\$4.65	1.43%
Water/Sewer Income	\$130,815	\$10,901	\$36.34	11.19%
Late Fees	\$15,390	\$1,283	\$4.28	1.32%
Lease Termination Fees	\$65,808	\$5,484	\$18.28	5.63%
Miscellaneous Income	\$3,600	\$300	\$1.00	0.31%
Damages/Cleaning/Security Deposit Forfeitures	\$27,360	\$2,280	\$7.60	2.34%
Bundle Income (High Speed Internet, Smart Home Features, Valet Trash, Pest Control, Etc)	\$513,000	\$42,750	\$142.50	43.88%
Fenced First Floor Units	\$76,950	\$6,413	\$21.38	6.58%
Premium Units	\$44,100	\$3,675	\$12.25	3.77%
Projected Other Income Growth	\$75,056	\$6,255	\$20.85	6.42%
Total Other Income	\$1,169,102	\$91,171	\$324.75	100.00%

Gross Potential Income (GPI)	\$8,441,853			
Vacancy [^]	\$363,638	5.00%		
Collections Loss (Bad Debt)	\$36,364	0.50%		
Concessions	\$72,728	1.00%		
Effective Gross Income (EGI)	\$7,969,123	6.50%	Total Economic Vacancy	

[^] Calculated as a Percentage of Gross Potential Rent

Expenses					
	Annual Expenses	Expenses Per Unit	Expenses Per SF	Expenses % of EGI	
On-Site Personnel & Benefits*	\$495,000	\$1,650	\$1.59	6.21%	
Advertising and Marketing	\$96,000	\$320	\$0.31	1.20%	
Turnover Costs	\$82,673	\$276	\$0.27	1.04%	
Repairs & Maintenance / Contract Services	\$195,000	\$650	\$0.63	2.45%	
Utilities	\$405,240	\$1,351	\$1.30	5.09%	
Administrative Expense*	\$120,000	\$400	\$0.38	1.51%	
Total Controllable Expenses	\$1,393,913	\$4,646	\$4.47	17.49%	
Property Taxes	\$507,600	\$1,692	\$1.63	6.37%	
Insurance	\$180,000	\$600	\$0.58	2.26%	
Professional Management (3% of EGI)*	\$239,074	\$797	\$0.77	3.00%	
Reserves (Capital Improvements)	\$45,000	\$150	\$0.14	0.56%	
Total Non-Controllable Expenses	\$971,674	\$3,239	\$3.12	12.19%	
Projected Expense Growth	\$124,479	\$415	\$0.40	1.56%	
Total Expenses	\$2,490,066	\$8,300	\$7.99	31.25%	
Expenses Net of Taxes and Insurance	\$1,802,466	\$6,008	\$5.78	22.62%	
Net Operating Income	\$5,479,056				
Value @ 5.25% CAP RATE	\$104,462,468				
Value Per Unit	\$348,208				
LTV	46%				
DEVELOPMENT YIELD	7.09%				

*Includes related party services and fees outlined on page 17 of this Memorandum and defined within the Limited Partnership Agreement.

Note: Projections of income, expenses, sales proceeds and other information above are based, in part, on assumptions concerning facts and events over which the Partnership and the General Partner will have no control, and which could, if they change, produce results significantly different from those set forth above. See **Factoring the Risk - Risks Relating to Forecasts.**

Estimated Budget

Total Budget		
Land Cost		\$6,300,000
Brokerage Commission		\$382,500
Subtotal Land Cost		\$6,682,500
Geotechnical and Materials Testing		\$169,180
Ecological/Archeological		\$5,700
Environmental Reports		\$4,800
Survey		\$74,950
Appraisal		\$10,000
Title/Closing Fees		\$203,310
Loan Fees		\$362,107
Internal Financing Fee*		\$120,702
Miscellaneous Closing Costs		\$25,000
Lender Inspection Fees		\$45,000
Construction Admin/Owners Rep*		\$1,351,866
Civil Engineering		\$406,000
Architectural		\$543,750
Permits/Impact Fees		\$2,050,000
Construction Interest		\$2,219,684
Land Carry Interest*		\$222,463
Pre Construction Interest		\$75,000
Property Taxes		\$390,000
Legal*		\$75,000
Insurance*		\$525,634
FFE/Startup Cost/Marketing		\$2,091,000
Development Overhead*		\$1,931,237
Soft Cost Contingency		\$224,966
Subtotal Soft Cost		\$13,127,349
Construction Costs*		\$55,497,230
Contingency	3.50%	\$1,942,403
Subtotal Hard Cost		\$57,439,633
Total Development Budget		\$77,249,482
Total Cost Per Unit		\$257,498
Capital Stack		
Bank Loan To Cost	62.50%	\$48,280,926
Required Equity	37.50%	\$28,968,556
		\$77,249,482

Projected Sale Analysis

Projected Sale Analysis		
Stabilized NOI	\$	5,479,056
Projected Exit Cap Rate		5.25%
Sale Price	\$	104,462,468
Sale Price Per Unit	\$	348,208
Sale Price Per Sq. Ft.	\$	335
Less Selling Expenses @ 1%	\$	(1,044,625)
Less Franchise & Excise Taxes	\$	(2,000,000)
Less Transfer Tax @ 0.37%	\$	(386,511)
Net Sale Proceeds	\$	101,031,332
Accumulated Cash	\$	1,725,516
Equity Interest	\$	137,347
Outstanding Mortgage	\$	(48,280,926)
Cash Available for Distribution	\$	54,613,268

*Includes related party services and fees outlined on page 17 of this Memorandum and defined within the Limited Partnership Agreement.

Note: Projections of income, expenses, sales proceeds and other information above are based, in part, on assumptions concerning facts and events over which the Partnership and the General Partner will have no control, and which could, if they change, produce results significantly different from those set forth above. See **Factoring the Risk - Risks Relating to Forecasts.**



NORTH CHARLESTON, SOUTH CAROLINA

Charleston MSA

PROPERTY 5

Located within Ingleside, a rapidly growing 2,000-acre master planned community, our development site will benefit from the multitude of different uses including commercial, healthcare, industrial, and residential. The Ingleside master plan will be anchored by the upcoming Novant Health Medical Campus and a nationally recognized wholesale grocer. A new intersection at Weber Blvd and I-26 is projected to open in August 2025 enhancing connectivity to all that Charleston has to offer. Charleston continues to show strong economic and demographic momentum, adding nearly 58,000 jobs since 2020, growing at nearly triple the national employment growth rate. Population growth also outpaces the national average, deepening the local renter pool. Major corporate investments from Boeing, Mercedes-Benz, Bosch, SHL Medical, and others are reinforcing the region's long-term growth and supporting demand for high-quality multifamily housing.



UNITS

324 Units

TOTAL ACREAGE

19.5 Acres

PRODUCT TYPE

Metro/Classic

Property Highlights



SITE HIGHLIGHTS

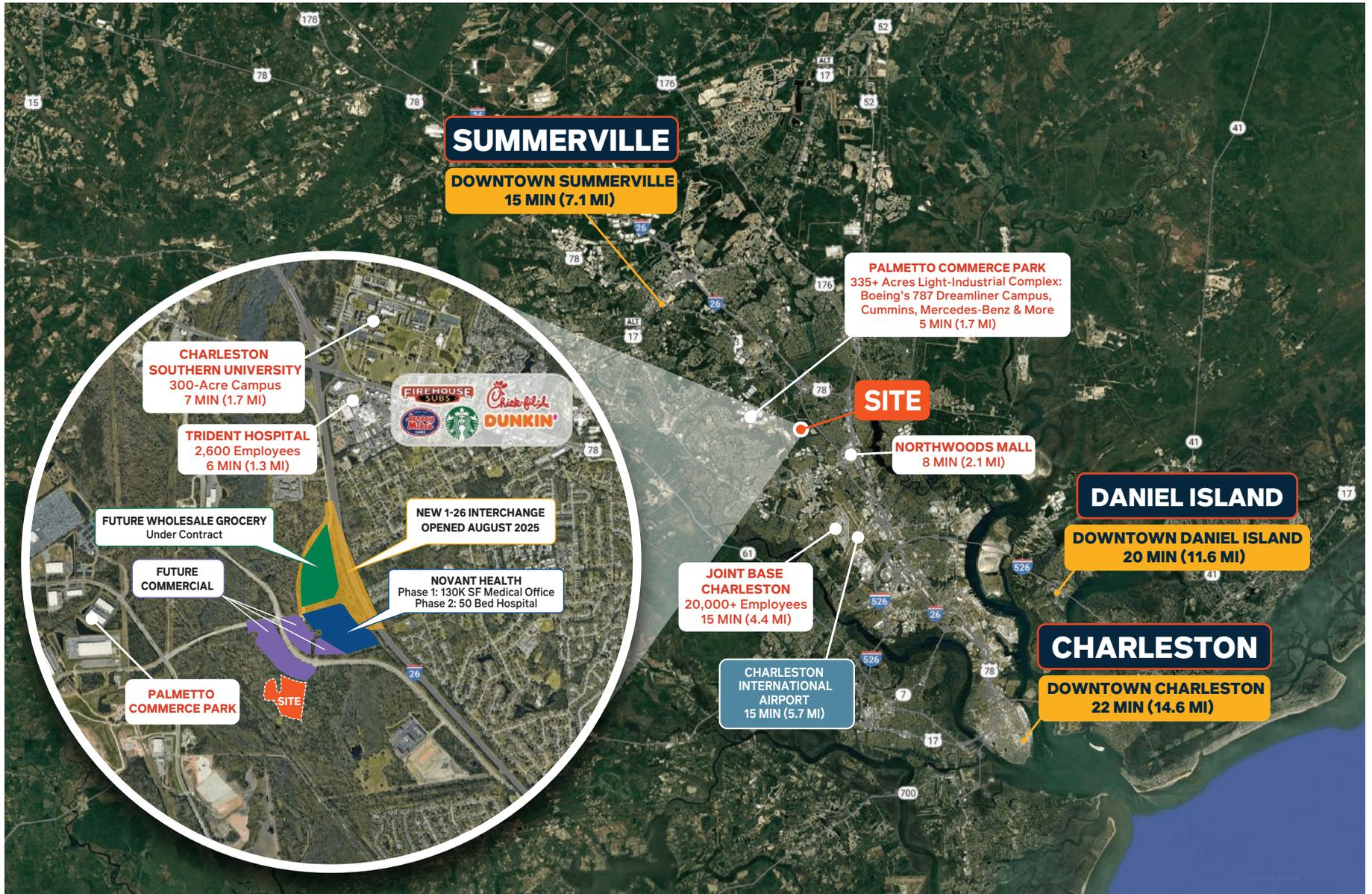
- The development will feature 324 units with a blended mix of Classic and Metro-style residences, providing a variety of living options tailored to different lifestyles and aesthetic preferences.
- The development is located within Ingleside, a 2,000-acre master planned community that is quickly becoming one of North Charleston's most dynamic growth corridors. This mixed-use development integrates residential, commercial, industrial, and recreational uses with over 200 acres of green space. Anchoring the masterplan is the upcoming Novant Health campus, with Phase I delivering 130,000 sf of medical office space and a freestanding emergency room, followed by a 50-bed hospital in Phase II. Additionally, a nationally recognized wholesale grocer is under contract negotiations to join the project, further enhancing Ingleside's appeal.
- Situated just minutes from I-26 and major employers such as Boeing (8,253 employees – 6.2 mi), Mercedes-Benz (2,000 employees – 1.7 mi), and Joint Base Charleston (20,000 employees – 4.4 mi), the site occupies a strategic position within North Charleston's rapidly growing employment and population hub. The location will become even more accessible with the new I-26 interchange expected to open in August 2025, further enhancing connectivity and regional appeal. This premier site is well positioned to meet the increasing demand for high-quality Class A multifamily housing, supported by a 94% stabilized occupancy rate across comparable properties in the area.

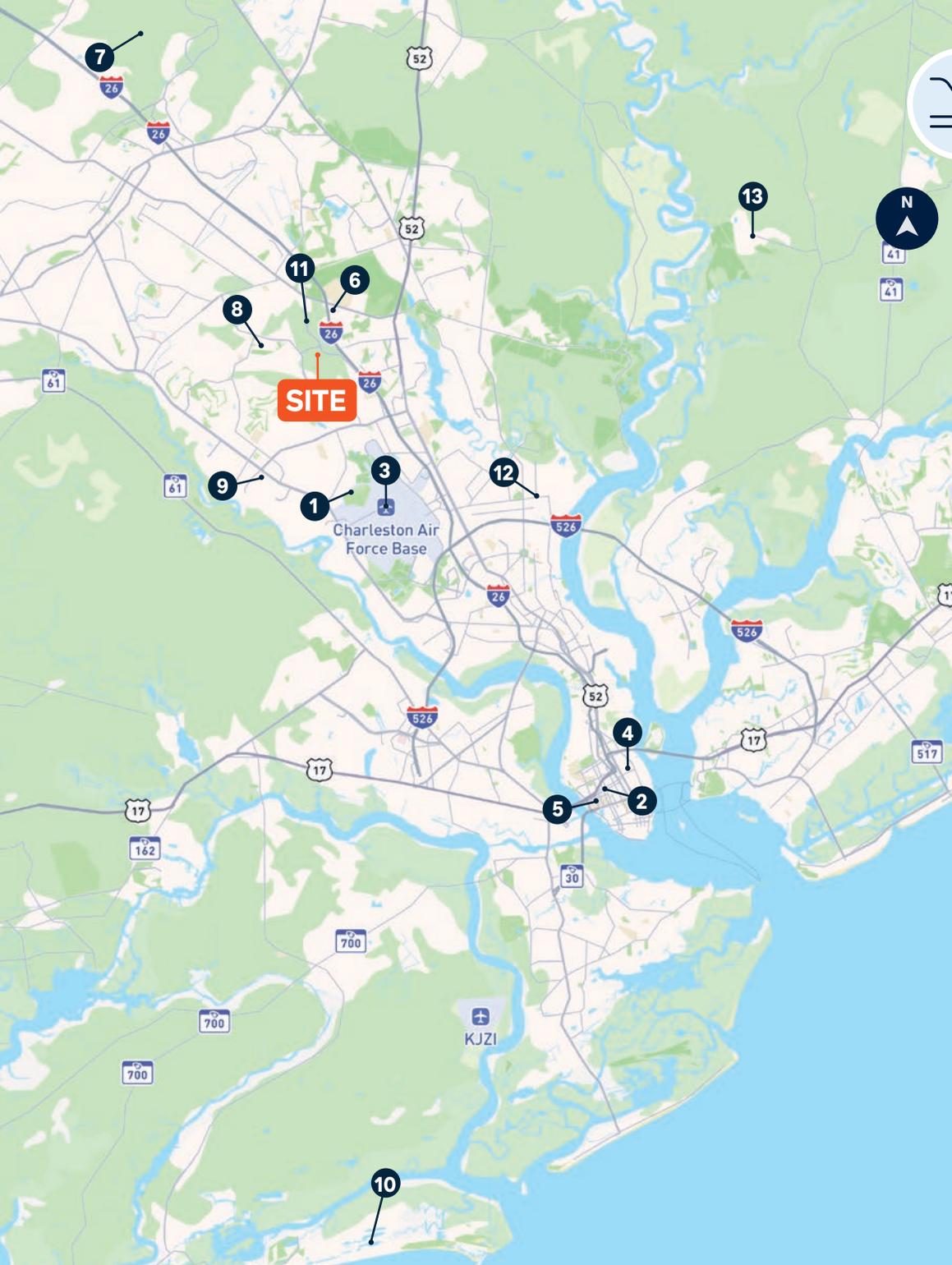


MARKET HIGHLIGHTS

- Charleston continues to experience outstanding demographic and economic momentum, reinforcing its position as one of the Southeast's most compelling multifamily markets. From 2020 to 2025, the metro added nearly 58,000 jobs, translating to an impressive 3.10% annualized employment growth rate, nearly three times the national average of just 1.11% over the same period. Population growth has also played a major role, with the Charleston MSA growing at an annualized rate of 1.38% compared to just 0.48% nationally over the past 5 years.. These trends are deepening the renter pool and driving sustained demand for high-quality housing, particularly as affordability challenges push more households toward renting.
- Charleston is demonstrating 25+ year highs of absorption over the last twelve months, absorbing over 6,300 units, outpacing the 2nd strongest year (2021) by over 800 units. Occupancy remains strong at 94%, highlighting the market's ability to maintain stable performance amid new deliveries.
- Major employment expansions are further propelling the market's momentum. Charleston has recently welcomed a series of transformative corporate announcements, including:
 - Boeing: \$1 billion investment and 500 new jobs over the next five years - underway as of December 2024
 - Bosch: Investing \$260 million, adding 350 new positions in North Charleston by mid-2025
 - SHL Medical: \$220 million advanced manufacturing facility, brought 300 new jobs in March 2025
 - Wal-Mart Distribution: Created 1,000 jobs in its North Charleston logistics center
 - Volvo Car Operations: Added 2,500 jobs – Hiring began early 2024

Sources: RealPage, ESRI, BLS, Business Facilities, Charleston Business, Fierce Pharma, and ABC News 4





MAJOR EMPLOYERS

		# EMPLOYEES	DISTANCE
1	Joint Base Charleston	20,000	4.4 mi
2	Medical University of South Carolina*	17,000	14.2 mi
3	Boeing*	8,253	6.2 mi
4	Charleston County School District*	7,100	14.6 mi
5	Roper St. Francis Healthcare*	6,100	14.3 mi
6	Trident Hospital	3,100	1.3 mi
7	Volvo	2,200	15.6 mi
8	Mercedes-Benz Vans	2,000	1.7 mi
9	Robert Bosch	1,800	3.8 mi
10	Kiawah Island Gold Resort	1,400	24.5 mi
11	T-Mobile	1,200	0.9 mi
12	Scientific Research Corporation	1,000	6.8 mi
13	Nucor Steel	1,000	11.8 mi

*Indicates multiple locations

Nearby Retail



Site Plan



Estimated Stabilized Proforma

Income								
Unit Count	Percent of Total	Unit Type	Average Unit Size	Total SF	Market Rents	Average Rent	Average Rent/SF	Scheduled Monthly Rent
120	37%	One Bedroom One Bath	729	87,472	\$1,697	\$1,697	\$2.33	\$203,695
168	52%	Two Bedroom Two Bath	1,143	191,996	\$2,082	\$2,082	\$1.82	\$349,700
36	11%	Three Bedroom Two Bath	1,314	47,304	\$2,265	\$2,265	\$1.72	\$81,540
324	100%		1,009	326,772	\$1,960	\$1,960	\$1.94	\$634,935
All Units at Market Rent			\$7,619,220					
Projected Rent Growth			\$769,411					
Gross Potential Rent			\$8,388,631					

Other Income	Annual Income	Monthly	Per Unit Per Month	%
Application/Administration Fees	\$39,645	\$3,304	\$10.20	3.12%
Pet Deposit Fees & Rent	\$54,675	\$4,556	\$14.06	4.31%
Short-Term/Month to Month Lease Fees	\$38,880	\$3,240	\$10.00	3.06%
Detached Garages (48 units)	\$94,590	\$7,883	\$24.33	7.45%
Reserved Parking Spaces	\$15,120	\$1,260	\$3.89	1.19%
Water/Sewer Income	\$141,280	\$11,773	\$36.34	11.13%
Late Fees	\$16,621	\$1,385	\$4.27	1.31%
Lease Termination Fees	\$76,205	\$6,350	\$19.60	6.00%
Miscellaneous Income	\$3,600	\$300	\$0.93	0.28%
Damages/Cleaning/Security Deposit Forfeitures	\$29,549	\$2,462	\$7.60	2.33%
Bundle Income (High Speed Internet, Smart Home Features, Valet Trash, Pest Control, Etc)	\$554,040	\$46,170	\$142.50	43.64%
Fenced First Floor Units	\$75,810	\$6,318	\$19.50	5.97%
Premium Units	\$46,200	\$3,850	\$11.88	3.64%
Projected Other Income Growth	\$83,360	\$6,947	\$21.44	6.57%
Total Other Income	\$1,269,575	\$98,851	\$326.54	100.00%

Gross Potential Income (GPI)	\$9,658,207			
Vacancy [^]	\$419,432	5.00%		
Collections Loss (Bad Debt)	\$41,943	0.50%		
Concessions	\$83,886	1.00%		
Effective Gross Income (EGI)	\$9,112,946	6.50%	Total Economic Vacancy	

[^] Calculated as a Percentage of Gross Potential Rent

Expenses				
	Annual Expenses	Expenses Per Unit	Expenses Per SF	Expenses % of EGI
On-Site Personnel & Benefits*	\$518,400	\$1,600	\$1.59	5.69%
Advertising and Marketing	\$96,000	\$296	\$0.29	1.05%
Turnover Costs	\$89,287	\$276	\$0.27	0.98%
Repairs & Maintenance / Contract Services	\$217,600	\$672	\$0.67	2.39%
Utilities	\$437,014	\$1,349	\$1.34	4.80%
Administrative Expense*	\$129,600	\$400	\$0.40	1.42%
Total Controllable Expenses	\$1,487,901	\$4,592	\$4.55	16.33%
Property Taxes	\$1,322,568	\$4,082	\$4.05	14.51%
Insurance	\$275,400	\$850	\$0.84	3.02%
HOA	\$15,000	\$46	\$0.05	0.16%
Professional Management (3% of EGI)*	\$273,388	\$844	\$0.84	3.00%
Reserves (Capital Improvements)	\$48,600	\$150	\$0.15	0.53%
Total Non-Controllable Expenses	\$1,934,956	\$5,972	\$5.92	21.23%
Projected Expense Growth	\$143,337	\$442	\$0.44	1.57%
Total Expenses	\$3,566,194	\$11,007	\$10.91	39.13%
Expenses Net of Taxes and Insurance	\$1,968,226	\$6,075	\$6.02	21.60%
Net Operating Income	\$5,546,751			
Value @ 5.40% CAP RATE	\$102,812,811			
Value Per Unit	\$317,323			
LTV	48%			
DEVELOPMENT YIELD	7.07%			

*Includes related party services and fees outlined on page 17 of this Memorandum and defined within the Limited Partnership Agreement.

Note: Projections of income, expenses, sales proceeds and other information above are based, in part, on assumptions concerning facts and events over which the Partnership and the General Partner will have no control, and which could, if they change, produce results significantly different from those set forth above. See **Factoring the Risk - Risks Relating to Forecasts.**

Estimated Budget

Total Budget		
Land Cost		\$8,750,000
Non-Applicable Extension Fees		\$300,000
Subtotal Land Cost		\$9,050,000
Geotechnical and Materials Testing		\$182,000
Ecological/Archeological		\$12,000
Environmental Reports		\$4,685
Survey		\$92,750
Appraisal		\$7,500
Title/Closing Fees		\$212,375
Loan Fees		\$367,805
Internal Financing Fee*		\$122,602
Miscellaneous Closing Costs		\$25,000
Lender Inspection Fees		\$45,000
Construction Admin/Owners Rep*		\$1,373,140
Civil Engineering		\$425,000
Architectural		\$751,330
Permits/Impact Fees		\$1,334,000
Construction Interest		\$2,297,570
Pre Construction Interest		\$75,000
Property Taxes		\$250,000
Legal*		\$75,000
Insurance*		\$530,703
FFE/Startup Cost/Marketing		\$2,081,280
Development Overhead*		\$1,961,628
Soft Cost Contingency		\$231,731
Subtotal Soft Cost		\$12,458,099
Construction Costs*		\$55,030,941
Contingency	3.50%	\$1,926,083
Subtotal Hard Cost		\$56,957,024
Total Development Budget		\$78,465,123
Total Cost Per Unit		\$242,176
Capital Stack		
Bank Loan To Cost	62.50%	\$49,040,702
Required Equity	37.50%	\$29,424,421
		\$78,465,123

Projected Sale Analysis

Projected Sale Analysis		
Stabilized NOI	\$	5,546,751
Projected Exit Cap Rate		5.40%
Sale Price	\$	102,812,811
Sale Price Per Unit	\$	317,323
Sale Price Per Sq. Ft.	\$	315
Less Selling Expenses @ 1%	\$	(1,028,128)
Less Transfer Tax @ 0.37%	\$	(380,407)
Net Sale Proceeds	\$	101,404,275
Accumulated Cash	\$	1,468,488
ROW Acquisition & Cost Reimbursement	\$	460,000
Equity Interest	\$	122,567
Outstanding Mortgage	\$	(49,040,702)
Cash Available for Distribution	\$	54,414,628

*Includes related party services and fees outlined on page 17 of this Memorandum and defined within the Limited Partnership Agreement.

Note: Projections of income, expenses, sales proceeds and other information above are based, in part, on assumptions concerning facts and events over which the Partnership and the General Partner will have no control, and which could, if they change, produce results significantly different from those set forth above. See **Factoring the Risk - Risks Relating to Forecasts.**



NAMPA, IDAHO BOISE MSA

PROPERTY 6

Known for its vibrant economy and high quality of life, the Boise MSA, Idaho's largest metro and the third largest in the Northwest behind Seattle and Portland, offers a compelling blend of affordability, job growth, and lifestyle amenities. Boise was recently ranked the 2nd best place to live in the U.S. (2024–2025) by U.S. News & World Report, while Nampa, located just 24 minutes away, earned accolades as the #1 small city for economic growth by Coworking Café. With a dynamic and expanding job market supported by major employers like Micron, Hewlett-Packard, and St. Luke's, the region is rapidly growing. The area's scenic beauty, from hiking and skiing to wine country charm, combined with top-tier income and population growth metrics, makes it especially attractive to families and professionals. Robust infrastructure investment and rental affordability relative to other western U.S. metros continue to draw new residents, offering long-term opportunity in a thriving housing market.



UNITS
300 Units

TOTAL ACREAGE
20.7 Acres

PRODUCT TYPE
Select

Property Highlights



SITE HIGHLIGHTS

- The site is part of the East Ranch master-planned community, which will feature high-value single-family homes alongside flex industrial space. These flex buildings will offer commercial storefronts for uses such as coffee shops and gyms, with rear roll-up doors to accommodate tenants like home hardware suppliers and boutique owners. Future residents will benefit from convenient walkability to these nearby retail and lifestyle amenities.
- Future residents will enjoy easy access to Highway I-84. This highway is the major thoroughfare in The Treasure Valley and is located 0.8 miles southeast of the site. In addition to the exit located southeast of the site, the City of Caldwell has announced the construction of an interchange on Ustick Rd, just 1.4 miles northwest of the site.
- The site is surrounded by numerous retail options. WinCo Foods, Target, Costco, Home Depot, Best Buy, Karcher Mall, and many local and national dining options exist within a 1.5-mile radius of the site.
- Within a 1-mile radius of the site, there are strong demographics:
 - Average Household Income: \$98,568 per Esri
 - Average Home Value: \$480,308 per Esri
- Major Employers within a 5-mile radius:
 - St. Luke's Nampa & Saltzer (670 Employees): 4 minute, 0.9 miles
 - JR Simplot - Nampa (500 Employees): 5 minutes, 0.6 miles
 - Fred Meyer (768 Employees): 10 minutes, 2.7 miles
 - Plexus (1,500 Employees): 11 minutes, 2.7 miles
 - College of Western Idaho (1,233 Employees): 12 minutes, 4.9 miles
 - St. Alphonsus (3,800 Employees): 13 minutes, 4.7 miles

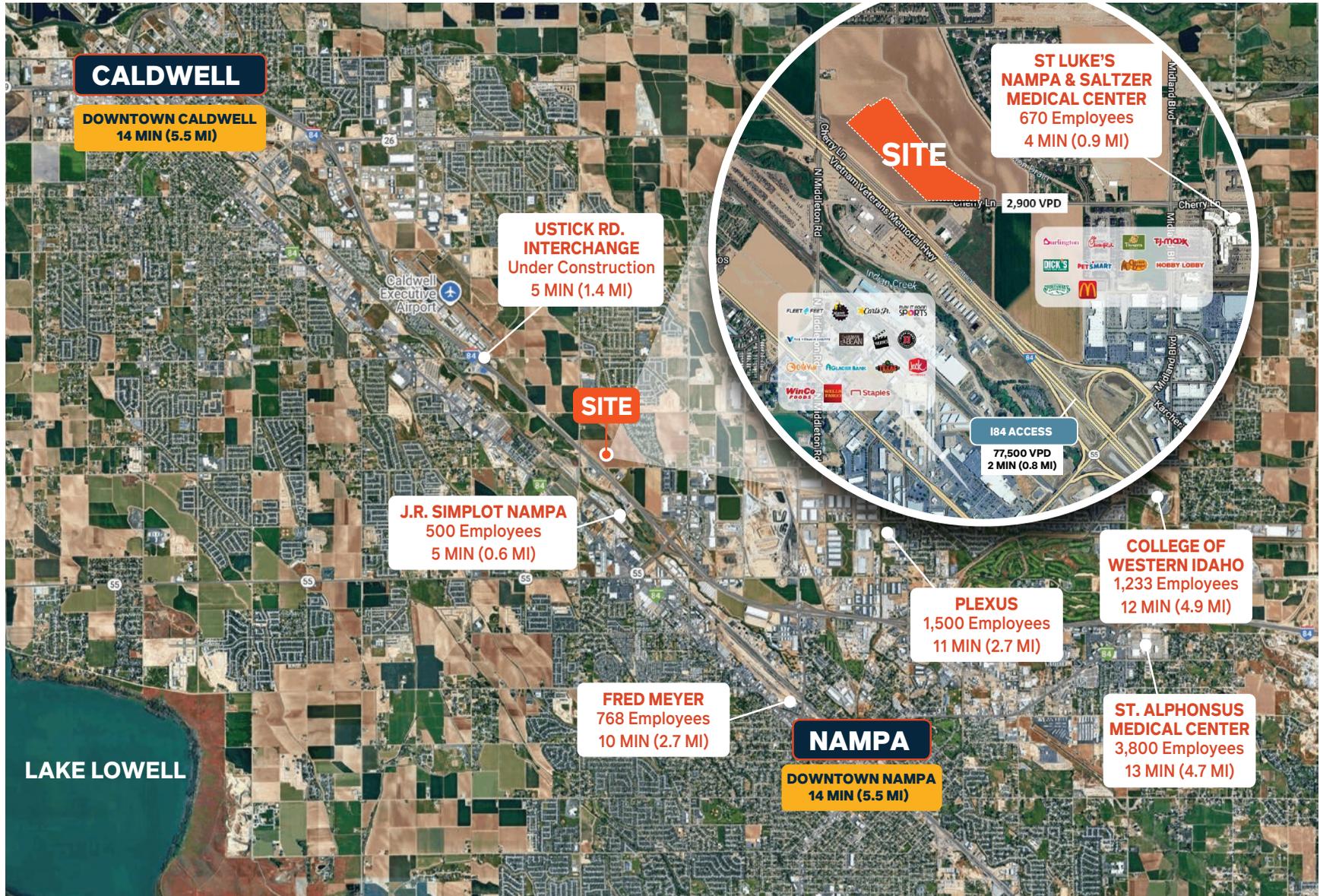


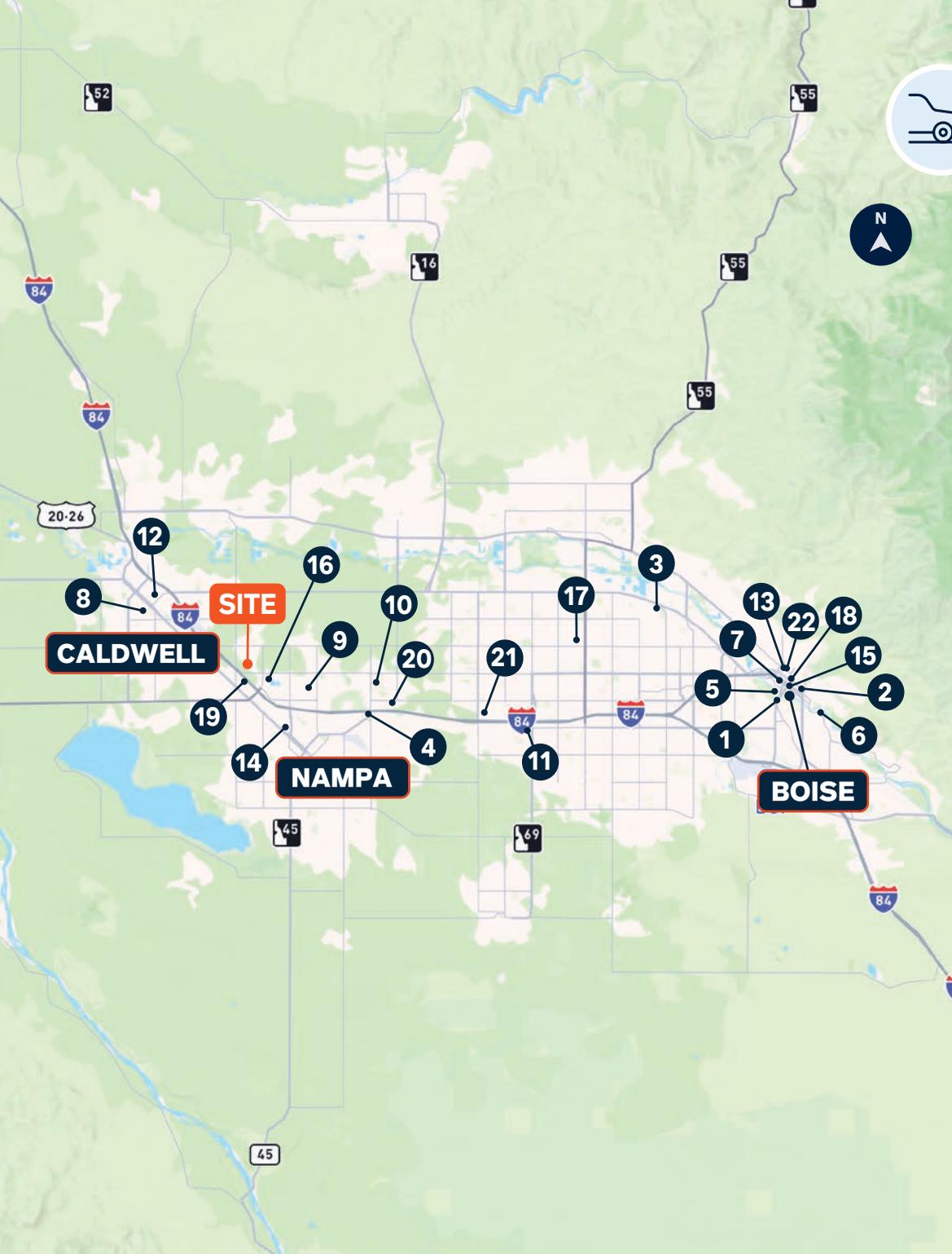
MARKET HIGHLIGHTS

- The Boise MSA is the Northwest US's 3rd largest metro behind Seattle, Washington and Portland, Oregon. Boise was ranked the 2nd best place to live in the US in 2024-2025 by US News and World Report.
- The site sits in Nampa, a town on the west side of the Boise MSA. Nampa was recently ranked the #1 city in the US with a population below 250,000 for economic growth by Coworking Café. Additionally, Livability recently ranked Nampa as the 16th best place to live in the western US. Meridian, Nampa's eastern neighbor, ranked 3rd and Boise ranked 5th.
- As of 2024, over 40% of Idaho's population lives in the MSA. Major employers in the MSA include Hewlett Packard, Micron, Boise Cascade, Boise State University, J.R. Simplot, Albertsons, St. Luke's, and St. Alphonsus.
- Micron currently employs an estimated 14,300 and is forecasted to add an additional 2,000 direct jobs and 15,000 indirect jobs with the United States' 3rd largest semiconductor investment. Upon the completion of the \$30 billion expansion, Micron's total facility will rival the size of The Pentagon.
- Nampa is Idaho's third largest city, located just 24 minutes from Boise in the heart of Canyon County. This scenic northwestern region is home to Idaho's wine country and provides an attractive outdoor lifestyle with various activities such as hiking, camping, fishing, and skiing all within a short distance from Nampa. Additionally, the state of Idaho was recently named the 5th best overall state and the 2nd best state economy by US News and World Report.

Sources: ESRI, Saint Alphonsus, College of Western Idaho, US News & World Report, Coworking Cafe, Livability, CoStar, BoiseDev

Market Aerial





MAJOR EMPLOYERS

		# EMPLOYEES	DISTANCE
1	Micron	14,300	20.4 mi
2	St. Luke's	9,291	20.7 mi
3	Hewlett-Packard Co.	6,200	14.3 mi
4	St. Alphonsus	3,800	4.7 mi
5	Boise State	3,652	20.3 mi
6	Albertsons	3,273	21.4 mi
7	JR Simplot	2,422	19.9 mi
8	West Valley Medical Center	1,600	4.9 mi
9	Plexus	1,500	2.7 mi
10	College of Western Idaho	1,233	4.9 mi
11	Walmart	1,045	10.5 mi
12	Canyon County Courthouse	900	4.8 mi
13	Cradle Point	782	20.1 mi
14	Fred Meyer	768	2.7 mi
15	Clearwater Analytics	718	20.2 mi
16	St. Luke's Nampa & Saltzer	670	0.9 mi
17	Blue Cross of Idaho	600	12.5 mi
18	Wells Fargo	540	20.1 mi
19	JR Simplot Nampa*	500	0.6 mi
20	Amazon	450	5.6 mi
21	Paylocity	425	9.2 mi
22	Boise Cascade	347	20.1 mi

*Indicates multiple locations within the MSA

Site Plan



Estimated Stabilized Proforma

Income								
Unit Count	Percent of Total	Unit Type	Average Unit Size	Total SF	Market Rents	Average Rent	Average Rent/SF	Scheduled Monthly Rent
120	40%	One Bedroom One Bath	830	99,600	\$1,630	\$1,630	\$1.96	\$195,600
150	50%	Two Bedroom Two Bath	1,239	185,895	\$1,985	\$1,985	\$1.60	\$297,750
30	10%	Three Bedroom Two Bath	1,505	45,135	\$2,365	\$2,365	\$1.57	\$70,950
300	100%		1,102	330,630	\$1,881	\$1,881	\$1.71	\$564,300
		All Units at Market Rent		\$6,771,600				
		Loss-to-Lease (-)		\$0				
		Projected Rent Growth		\$792,652				
		Gross Potential Rent		\$7,564,252				

Other Income	Annual Income	Monthly	Per Unit Per Month	%
Application/Administration Fees	\$36,708	\$3,059	\$10.20	2.58%
Pet Deposit Fees & Rent	\$54,000	\$4,500	\$15.00	3.80%
Short-Term/Month to Month Lease Fees	\$36,000	\$3,000	\$10.00	2.53%
Detached Garages (101 units)	\$172,710	\$14,393	\$47.98	12.16%
Reserved Parking Spaces	\$22,680	\$1,890	\$6	1.60%
Water/Sewer Income	\$130,815	\$10,901	\$36.34	9.21%
Late Fees	\$15,390	\$1,283	\$4.28	1.08%
Lease Termination Fees	\$67,716	\$5,643	\$18.81	4.77%
Miscellaneous Income	\$3,600	\$300	\$1.00	0.25%
Damages/Cleaning/Security Deposit Forfeitures	\$27,360	\$2,280	\$7.60	1.93%
Bundle Income (High Speed Internet, Smart Home Features, Valet Trash, Pest Control, Etc)	\$513,000	\$42,750	\$142.50	36.12%
Fenced First Floor Units	\$89,775	\$7,481	\$24.94	6.32%
Carport Income	\$113,430	\$9,453	\$31.51	7.99%
Premium Units	\$44,100	\$3,675	\$12.25	3.11%
Projected Other Income Growth	\$92,843	\$7,737	\$25.79	6.54%
Total Other Income	\$1,420,127	\$110,607	\$394.48	100.00%

Gross Potential Income (GPI)	\$8,984,379			
Vacancy [^]	\$378,213	5.00%		
Collections Loss (Bad Debt)	\$37,821	0.50%		
Concessions	\$75,643	1.00%		
Effective Gross Income (EGI)	\$8,492,702	6.50%	Total Economic Vacancy	

[^] Calculated as a Percentage of Gross Potential Rent

Expenses				
	Annual Expenses	Expenses Per Unit	Expenses Per SF	Expenses % of GPI
On-Site Personnel & Benefits*	\$510,000	\$1,700	\$1.54	6.01%
Advertising and Marketing	\$96,000	\$320	\$0.29	1.13%
Turnover Costs	\$82,673	\$276	\$0.25	0.97%
Repairs & Maintenance / Contract Services	\$195,000	\$650	\$0.59	2.30%
Utilities	\$405,000	\$1,350	\$1.22	4.77%
Administrative Expense*	\$120,000	\$400	\$0.36	1.41%
Total Controllable Expenses	\$1,408,673	\$4,696	\$4.26	16.59%
Property Taxes	\$399,900	\$1,333	\$1.21	4.71%
Insurance	\$195,000	\$650	\$0.59	2.30%
Professional Management (3% of EGI)*	\$254,781	\$849	\$0.77	3.00%
Reserves (Capital Improvements)	\$45,000	\$150	\$0.14	0.53%
Total Non-Controllable Expenses	\$894,681	\$2,982	\$2.71	10.53%
Projected Expense Growth	\$126,767	\$423	\$0.38	1.49%
Total Expenses	\$2,430,121	\$8,100	\$7.35	28.61%
Expenses Net of Taxes and Insurance	\$1,835,221	\$6,117	\$5.55	21.61%
Net Operating Income	\$6,062,580			
Value @ 5.11% CAP RATE	\$118,641,493			
Value Per Unit	\$395,472			
LTV	46%			
DEVELOPMENT YIELD	6.87%			

*Includes related party services and fees outlined on page 17 of this Memorandum and defined within the Limited Partnership Agreement.

Note: Projections of income, expenses, sales proceeds and other information above are based, in part, on assumptions concerning facts and events over which the Partnership and the General Partner will have no control, and which could, if they change, produce results significantly different from those set forth above. See **Factoring the Risk - Risks Relating to Forecasts.**

Estimated Budget

Total Budget		
Land Cost		\$10,369,458
Subtotal Land Cost		\$10,369,458
Geotechnical and Materials Testing		\$186,800
Environmental Reports		\$6,732
Survey		\$51,300
Appraisal		\$10,000
Title/Closing Fees		\$104,617
Loan Fees		\$413,621
Internal Financing Fee*		\$137,874
Miscellaneous Closing Costs		\$25,000
Lender Inspection Fees		\$45,000
Construction Admin/Owners Rep*		\$1,544,183
Civil Engineering		\$359,000
Architectural		\$746,125
Permits/Impact Fees		\$4,174,344
Construction Interest		\$2,671,303
Pre Construction Interest		\$25,000
Property Taxes		\$206,502
Legal*		\$85,000
Insurance*		\$472,945
FFE/Startup Cost/Marketing		\$1,922,000
Development Overhead*		\$2,205,976
Soft Cost Contingency		\$103,776
Subtotal Soft Cost		\$15,497,097
Construction Costs*		\$60,263,275
Contingency	3.50%	\$2,109,215
Subtotal Hard Cost		\$62,372,490
Total Development Budget		\$88,239,044
Total Cost Per Unit		\$294,130
Capital Stack		
Bank Loan To Cost	62.50%	\$55,149,403
Required Equity	37.50%	\$33,089,642
		\$88,239,044

Projected Sale Analysis

Projected Sale Analysis		
Stabilized NOI	\$	6,062,580
Projected Exit Cap Rate		5.11%
Sale Price	\$	118,641,493
Sale Price Per Unit	\$	395,472
Sale Price Per Sq. Ft.	\$	359
Less Selling Expenses @ 1%	\$	(1,186,415)
Net Sale Proceeds	\$	117,455,078
Accumulated Cash	\$	2,451,135
Equity Interest	\$	88,492
Outstanding Mortgage	\$	(55,149,403)
Cash Available for Distribution	\$	64,845,303

*Includes related party services and fees outlined on page 17 of this Memorandum and defined within the Limited Partnership Agreement.

Note: Projections of income, expenses, sales proceeds and other information above are based, in part, on assumptions concerning facts and events over which the Partnership and the General Partner will have no control, and which could, if they change, produce results significantly different from those set forth above. See **Factoring the Risk - Risks Relating to Forecasts.**

Exhibits



Valuation Policy

Thompson Thrift 2026 Multifamily Development, LP, a Delaware limited partnership (the “**Partnership**”), is governed by its Amended and Restated Limited Partnership Agreement as subsequently amended (the “**Partnership Agreement**”). Capitalized terms used herein have the respective meanings set forth in the Partnership Agreement.

I. PROPERTY EVALUATION CRITERIA

The General Partner evaluates initial and any additional or replacement Properties to be acquired by the Partnership based on the following underwriting criteria:

- A. Estimated return of no less than 14% per annum for the Real Estate Development upon stabilization and exit;
- B. Debt leverage not to exceed 80% Loan to Cost; and
- C. Estimated projected development spread between the Property’s projected development yield and projected market exit cap rate of no less than 1.25%

The General Partner’s estimates and assumptions as to the probability of future events are subject to change as described in the Partnership’s Confidential Offering Memorandum under **Factoring the Risk – Risks Relating to Forecasts**.

II. VALUATION OF WAREHOUSED PROPERTIES

To the extent that a contributing Limited Partner (including an Affiliate Partner) has acquired, or committed to acquire, any Property (including any “**designated**” Property) identified by the General Partner for subsequent acquisition by the Partnership or a Property Holdco (each a “**Warehoused Property**”), the contributing Partner(s) will transfer or assign ownership of such Warehoused Property to the Partnership or a Property Holdco, based on a value determined by the General Partner using the applicable method as follows:

A. VALUATION METHODOLOGY

- (i) **Cost Plus Carry.** Any Warehoused Property purchased by Thompson Thrift (or an affiliate) will be contributed to the Partnership at acquisition cost, plus unreimbursed pre-closing pursuit costs and due diligence expenses (e.g., earnest money, site due diligence reports, costs of obtaining plans and permits, and architectural design, civil engineering and impact fees), plus a carrying charge equal to the greater of 8.00% or the Prime rate as defined in the Wall Street Journal plus 1% (the “Warehousing Rate”), or another interest rate agreed upon with a Contributing Partner that is not an affiliate with Thompson Thrift, from the date that such costs, fees and expenses were paid or accrued, through the date of assignment or contribution of the Warehoused Property to the Partnership; or
- (ii) **Current Fair Market Value.** Any Warehoused Property originally purchased by an independent third party will be contributed to the Partnership at a current fair market value as evidenced by the purchase agreement or other form of agreement negotiated between Thompson Thrift and the contributing independent third-party Partner.

B. REPAYMENT OF DEBT

In the event that a Contributing Partner closes on a land loan to acquire a Warehoused Property, prior to the closing of the construction loan on that Warehoused Property, the Contributing Partner may fund up to 100% of the required equity for the land loan, subject to reimbursement by the Partnership (or a Property Holdco) of 100% of the equity funding plus financing costs equal to the Warehousing Rate (or another rate agreed upon with a Contributing Partner that is not an Affiliate Partner), which rate will be assessed from the date that such cost or expense was paid or accrued through the date of the contribution or assignment of the Warehoused Property to the Partnership.

C. REIMBURSEMENT OF PRE-CLOSING AND PRE-DEVELOPMENT COSTS

The Partnership will reimburse pre-closing pursuit costs and due diligence expenses to the extent that such costs and expenses were actually incurred by a Contributing Partner. These expenses and costs could include, earnest money, site due diligence reports, costs of obtaining plans and permits, and architectural design, civil engineering and impact fees; plus financing costs (equal to the Warehousing Rate if incurred by an Affiliate Partner) from the date that such costs, fees and expenses were paid or accrued, through the date of assignment or contribution of the Warehoused Property to the Partnership. In lieu of reimbursement, a Contributing Partner may request that all or a portion of the pre-closing pursuit and due diligence expenses be included in the value of the Warehoused Property that is contributed in-kind to the Partnership for purposes of determining the Contributing Partner’s investment percentage in the Property and its Interest in the Partnership.

Valuation Policy (continued)

III. VALUATION OF REAL ESTATE DEVELOPMENTS TRANSFERRED BY THE PARTNERSHIP TO A TRANSFER HOLDCO

On or after substantial completion of a Real Estate Development, the General Partner could elect to provide written notice to the Partnership's Limited Partner Advisory Committee (the "Advisory Committee") that the General Partner will cause the Partnership to transfer ownership of such Real Estate Development to another entity managed by Thompson Thrift or its Affiliate, such as a real estate investment trust or other income focused vehicle that will hold and manage the Real Estate Development (referred to as a "Transfer Holdco"); as long as the Transfer Holdco has received binding capital commitments from Thompson Thrift, its Affiliates and related persons equal to at least ten percent (10%) of the required equity capital.

- A. The General Partner will provide advance notice to the Advisory Committee of any proposed Transfer, as well as a recapitalization plan and purchase price for the Real Estate Development. The purchase price will be a current fair market value for the Real Estate Development after stabilization, determined by the General Partner based on an independent appraisal conducted by a Qualified Valuation Firm (the "Transfer Value"), subject to the following conditions:
 - (i) In determining the Transfer Value, the Qualified Valuation Firm will assume the operation and disposition of such Real Estate Development in the ordinary course of business, without regard to temporary market fluctuations or aberrations, and shall further assume, in the case of a projected sale of a Real Estate Development, that neither buyer nor seller is acting under an undue compulsion to buy or sell; and
 - (ii) The Transfer Value of such Real Estate Development will equal a fair market value without taking into account hypothetical closing, brokerage, or other transactional costs.
- B. The Advisory Committee will review and consider the proposed Transfer Value and notify the General Partner in writing of any objections within ten (10) Business Days from the receipt of notice from the General Partner. The General Partner and the Advisory Committee will seek to resolve any issues and to agree upon a Transfer Value within ten (10) Business Days after the General Partner receives a notice of objection, if any, from the Advisory Committee.
- C. Promptly after the Advisory Committee and the General Partner have agreed upon the Transfer Value, the General Partner will provide written notice to all Partners that describes the proposed transaction between the Partnership and the Transfer Holdco, including the recapitalization plan and the Transfer Value.
- D. A Transfer Holdco will provide the option to each Partner to: (i) sell its Investment Percentage of equity in the Real Estate Development, in its entirety, to the Transfer Holdco; or (ii) contribute its Investment Percentage of equity in the Real Estate Development, in its entirety, to the Transfer Holdco.

Please see ***Partnership Overview - Executive Summary - Transfer Holdco Transactions***

This policy is effective as of January 1, 2026, and may be amended by the General Partner in the future subject to prior approval of the Advisory Committee.

Transfer Policy

Thompson Thrift 2026 Multifamily Development, LP, a Delaware limited partnership (the “**Partnership**”), is governed by its Amended and Restated Limited Partnership Agreement as subsequently amended (the “**Partnership Agreement**”). Capitalized terms used herein have the respective meanings set forth in the Partnership Agreement.

The Partnership Agreement states that a Limited Partner may not Transfer its Interest in the Partnership, in whole or in part, unless the General Partner approves such Transfer in writing and certain requirements are met as described in “Restrictions on Transfer” in the Partnership Agreement.

Under the Partnership Agreement, the General Partner may, but is not obligated to, approve a Transfer of Interest requested by a Limited Partner if, based on the facts and circumstances, the proposed Transfer, in the General Partner’s sole discretion, (i) is in the best interest of the Partnership; (ii) does not increase the regulatory burden on the Partnership or the General Partner; and (iii) is consistent with the requirements of the Partnership Agreement.

The Partnership Agreement states that any Transfer of Interests must occur in a secondary transaction that is exempt from applicable federal and state securities laws, and no Transfer may occur if it would result in the Partnership being taxed as a “publicly traded partnership” as defined in Section 7704 of the Internal Revenue Code of 1986, as amended (the “**Code**”).

In order to comply with the Partnership Agreement and the Code, the General Partner has adopted this Transfer Policy.

Permitted Transfers. The General Partner may (but is not required to) consent to the following types of Transfers requested by a Limited Partner:

- Transfer to an identically titled account held in the name of the Limited Partner;
- Transfer to any Affiliate of the Limited Partner (e.g., Transfer to any entity that is owned and controlled by the Limited Partner);
- Transfer upon the death of a Limited Partner, including a transfer from an estate or testamentary trust;
- Transfer to a family member (e.g., Limited Partner’s spouse or any lineal descendant);
- Transfer in which the basis of the Interest in the hands of the Transferee is determined, in whole or in part, by reference to its basis in the hands of the Transferor or is determined under Code Section 732;
- Any Transfer deemed a “block transfer” i.e., the transfer by a Limited Partner and any related persons (within the meaning of Code Sections 267(b) or 707(b)(1)) in one or more transactions during any 30 calendar day period of Interests representing in the aggregate more than 2% of the total Interests in the Partnership’s capital or profits.
- Any Transfer by a Limited Partner to another Limited Partner, or to the General Partner (or any Affiliate or related person thereof), in a private transaction without any solicitation, at a price equal to either: (i) the amount of the transferring Limited Partner’s original Capital Contribution, without interest and without accounting for any unrealized gains (losses) in the Partnership’s assets, or (ii) an amount equal to the current value of the transferring Limited Partner’s Capital Account, including Unfunded Capital Commitments, in each case with any discount or as may otherwise be agreed upon by the transferor and transferee subject to acceptance by the GP; provided that such Transfer shall only occur no less than 30 days after such parties’ receipt of the Partnership’s most current financial statements.

Transfer Policy (continued)

Permitted Transferees. In each case, the Partnership Agreement provides that:

- The Transferee must have sufficient liquid assets to satisfy any unfunded Capital Commitment of the Transferor;
- The Transferee must acquire the Interest solely for investment purposes;
- The Transferee may not be a competitor of Thompson Thrift Development or any Affiliate;
- The Transferee and Transferor each must be an “accredited investor” at the time of the Transfer;
- The Transferee must meet the suitability requirements to acquire an Interest, as evidenced by a Subscription Agreement and Partner Questionnaire signed by the Transferee (and the Transferee’s IRA Custodian, if applicable), accepted by the General Partner and verification of status as an “accredited investor”;
- The Transferee and Transferor must sign the “Transfer Agreement” in the form required by the General Partner.

Transfers in Violation Will be Void. If a Limited Partner makes a Transfer in violation of the Partnership Agreement and/or without the consent of the General Partner, the Partnership Agreement provides that such Transfer is void and the Transferor will be liable to the Partnership and other Partners for such Damages as any of them may sustain as a result of such Transfer.

Conflicts Between the Transfer Policy and the Partnership Agreement. To the extent there is a conflict between the Partnership Agreement and this Transfer Policy, the Partnership Agreement will apply.

No Tax or Securities Law Advice. None of the General Partner, the Partnership or the Partnership’s legal counsel will provide any advice related to applicable securities law exemptions for the Transfer, or any potential tax consequences to the Transferor or Transferee in connection with any permitted Transfer. Each Transferor and Transferee shall consult with their own legal counsel and tax advisor to confirm that the Transfer is permitted under applicable securities laws and to identify and consider potential adverse tax consequences related to the Transfer.

This policy is effective as of January 1, 2026, and may be amended by the General Partner in the future subject to prior approval of the Advisory Committee

Placement Agent Offering Disclosure

North Capital Private Securities Corporation, ("**NCPS**", or the "**Placement Agent**"), a broker-dealer registered with the U.S. Securities and Exchange Commission and a member of FINRA and SIPC, has been appointed by the Partnership as placement agent for this offering (the "**Offering**") of the Partnership's Interests as described in this Memorandum. Prospective investors should read and understand the following disclosures, which are provided by NCPS in addition to the disclosures in this Memorandum provided by the Partnership.

Placement Agent Fees. For its services associated with various Thompson Thrift offerings, including this Offering, NCPS, collectively with its associated persons, will receive a monthly service fee (currently \$27,000) plus a transaction fee of 10 bps per annum on cumulative Capital Commitments, if any, in excess of \$500,000,000 per annum in addition to certain costs and expenses to be paid by the Partnership and any future Thompson Thrift affiliated issuers on a pro rata basis.

Selling Agents. The General Partner, at its own expense, may enter into agreements with SEC-registered broker-dealers that are members of FINRA/SIPC to introduce potential limited partners to this offering. NCPS expects to enter into commission-sharing agreements with selling brokers (together with NCPS, the "Selling Agents"). A Selling Agent typically will receive a referral fee not to exceed 2.00% of Capital Commitments accepted by the General Partner, which fee will be paid by the General Partner of its affiliate, not the Partnership.

The Selling Agents Do Not Make Investment Recommendations or Give Investment Advice. The Selling Agents do not give investment advice and do not make investment recommendations to any investors. No communications in any medium should be construed as a recommendation to purchase any Interests in the Offering. The Selling Agents are not recommending that you purchase Interests in the Offering. The Selling Agents do not provide "due diligence" on any Limited Partner's behalf and are not responsible for Limited Partners' investment decisions.

The Selling Agents are Not Your Advisor. The Selling Agents are not your advisor, are not a fiduciary, and do not offer investment advice to any potential Limited Partner. The Selling Agents recommend that you seek advice from and consult with a registered investment advisor, attorney, accountant, or other licensed professionals who have the expertise to help you understand and assess the risks associated with the Interests.

The Selling Agents Have Not Independently Verified any Materials Associated with the Offering. The Offering Materials have been prepared solely by the Partnership, and any materials prepared by a Selling Agent were created in reliance on the Memorandum and reviewed and approved by the Partnership. All statements, representations, and other information contained therein are the sole responsibility of the Partnership and are believed by such Selling Agent to be materially correct and free of material omissions.

Placement Agent Offering Disclosure (continued)

Disclaimer of Valuation. The Selling Agents do not independently verify any valuation of the Interests, including, without limitation, any methodology or information in support thereof, and any such valuation does not constitute an opinion from either Selling Agent such as on the Partnership's current or future business performance or otherwise. The Interests are not publicly-traded and no market exists (and may never exist) for the Interests; there is no actual market price for the Interests.

The Selling Agents and Prospective Investors have Material Conflicts of Interest. The Selling Agents are agents of the Partnership, and they potentially could receive transaction fees based on the volume of Interests sold by it and its associated persons in the Offering. These transaction fees would not be paid by the Partnership.

Registered Personnel Conflicts. NCPS will pay registered representatives who are employed by Thompson Thrift ("TT Personnel"), transaction-based compensation not to exceed 0.50% of Capital Contributions referred by the registered representative, payable by NCPS. Agent fees will not be paid by the Partnership. TT Personnel typically are not involved in any securities-related business other than offerings by Thompson Thrift's real estate partnerships or other affiliated entities. The registered status of such personnel creates inherent conflicts of interest because they may gain financially from your investment, directly through transaction-based compensation and indirectly through their salaries, benefits and other compensation from Thompson Thrift.

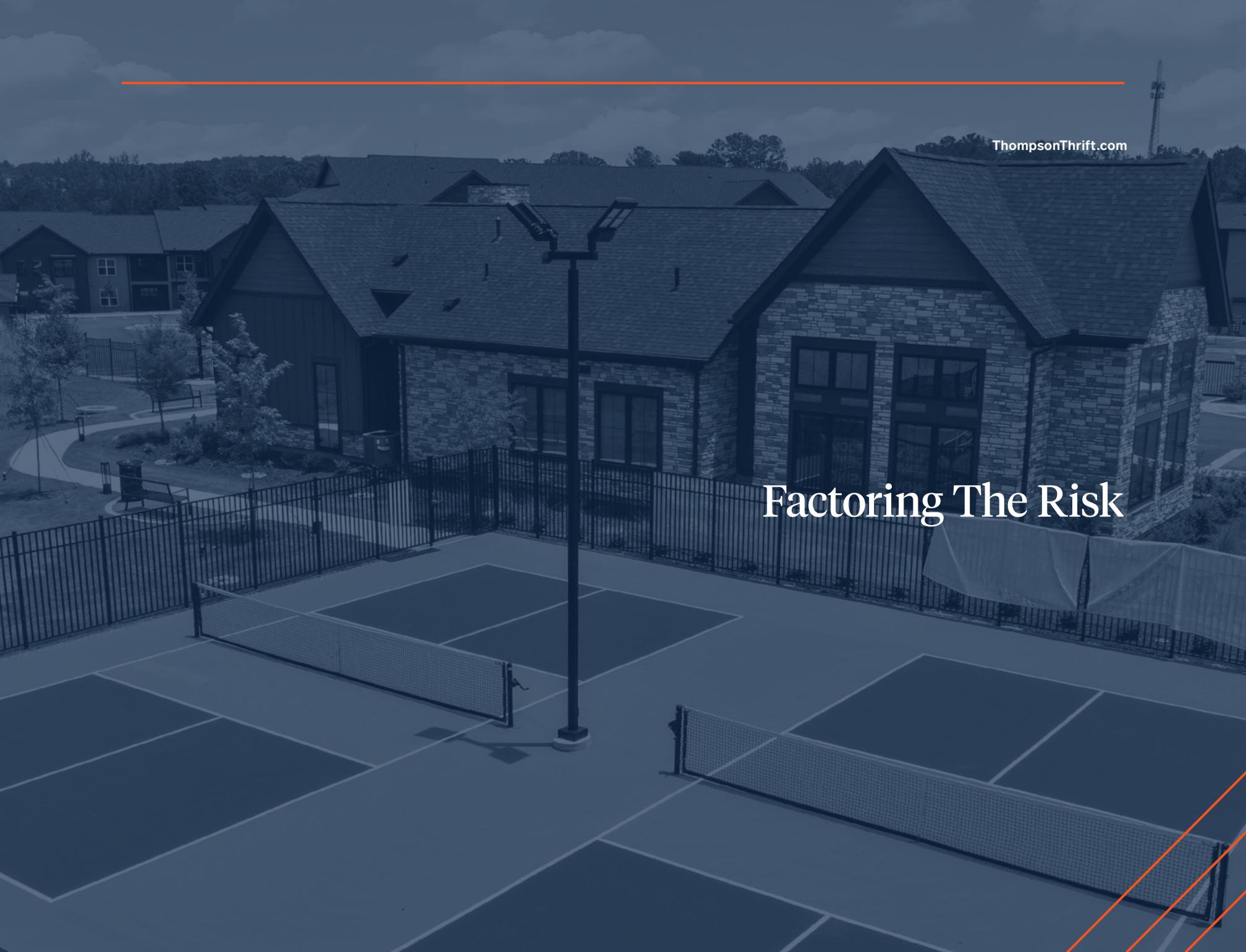
Investment in the Interests is High-Risk. All exempt offerings, including the Offering, are considered to be high-risk due to their limited liquidity and required disclosures compared to public, registered, listed offerings. The Partnership has no operating history, and as such, any projections, forecasts, and/or extrapolations are hypothetical and subject to change. Any investment in the Interests issued by the Partnership is, by definition, speculative and high-risk. Prospective investors should understand that they may lose their entire investment. Prospective investors should carefully review the Confidential Offering Memorandum for a complete discussion of risk factors, including conflicts of interest.

The Interests Being Offered are Illiquid, Restricted Securities. The Interests are illiquid and are subject to federal and state restrictions on resale. Prospective investors should not assume they will ever be able to resell or transfer their Interests.

Submitting a Complaint. Should any investor have a complaint about NCPS, its partners, or the Offering, complaints can be filed using the complaint form located at the bottom of the page in the footer menu of NCPS's website at <https://www.northcapital.com>.

NCPS' Data Collection. NCPS and its designated agents and representatives will collect and retain information, records and data in connection with your investment in the Offering, and will share such information with its partners and service providers as appropriate, required or advisable to facilitate the transactions contemplated by the Offering and to comply with applicable legal and regulatory obligations. Visit NCPS's website at <https://www.northcapital.com> for NCPS's privacy policy, which is incorporated into this Placement Agent Offering Disclosure by reference.

Factoring The Risk



Factoring the Risk

I. CONFLICTS OF INTEREST

There will be occasions when Thompson Thrift, the GP and their respective Affiliates encounter potential conflicts of interest in connection with the Partnership. The following considerations, among others, should be carefully evaluated before making an investment in the Partnership. The terms described in the offering materials are qualified in their entirety by reference to the Partnership Agreement. Potential limited partners should carefully review the Partnership Agreement and consult their own financial, legal and tax advisers before submitting a binding Subscription Agreement to acquire Interests in the Partnership. Capitalized terms used herein but not defined shall have their respective meanings set forth in the Partnership Agreement.

Time Demands on Thompson Thrift Principals. Thompson Thrift currently, and will in the future, conduct other businesses, including real estate development, financing and other businesses, and manage other private real estate development and/or income funds, which may have different strategies, properties and different types of real estate partners. Conflicts may arise in the allocation of Thompson Thrift's principals' time among their various business activities. Thompson Thrift and its affiliates currently manage several private real estate development partnerships and projects. In the future, they could manage additional vehicles or separate accounts that develop real estate or that co-invest with, or invest alongside, the Partnership, including any private value-add or opportunistic real estate fund or syndications formed after the date hereof by the GP. These other investment vehicles could have the same objectives as, or similar to those of, the Partnership or they could invest in the same type of real estate properties as the

Partnership or related properties and may compete with the Partnership for the same real estate opportunities.

Allocation of Real Estate Opportunities. Conflicts of interest could arise in connection with real estate opportunities offered by Thompson Thrift to the Partnership, and other real estate vehicles or accounts the GP or its Affiliates are currently or may in the future be involved. These real estate opportunities could result in transactions that differ in substance, timing, and amount, due to, among other things, differences in objectives or other factors affecting the appropriateness or suitability of particular real estate activities to the Partnership or to limitations on the availability of particular real estate opportunities.

The Partnership Agreement does not prevent the GP from offering the right to participate in real estate opportunities of the Partnership to any individual, group, partnership, corporation or other entities, including, without limitation, any Limited Partner or any TT affiliate, and any other real estate vehicles managed by the GP whenever the GP, in its sole discretion, so determines.

The GP and its affiliates have no obligation to provide the Partnership or any other account with any particular real estate opportunity or to refrain from taking advantage of a real estate opportunity that could be beneficial to the Partnership and will allocate opportunities in a manner they believe to be as equitable as feasible.

Multifamily Developments in Association with Thompson Thrift Commercial Real Estate Developments. Real Estate Developments could include multifamily developments associated with commercial real estate developments that are separately owned by Thompson Thrift or its affiliates. Thompson Thrift may have a conflict of

interest in causing the Partnership to pursue such multifamily developments, as the construction of residential units could increase the value of commercial retail properties owned by Thompson Thrift or its affiliates.

II. RELATED PARTY TRANSACTIONS, FEES AND EXPENSES

Transfer to Transfer Holdco. The GP could elect to transfer a Real Estate Development after stabilization to another real estate income limited partnership or other entity managed by the GP or an Affiliate (a "Transfer Holdco"). The General Partner's notice to the Advisory Committee with respect thereto shall include a proposed recapitalization plan and a purchase price based on a current fair market value of the Property after stabilization as determined by a qualified valuation firm (the "Transfer Value"). Once the Advisory Committee has reviewed and confirmed the Transfer Value, the General Partner shall provide written notice to all Partners that describes the proposed transaction between the Partnership and the Transfer Holdco, including the recapitalization plan and the Transfer Value.

As part of the recapitalization and transfer of any Real Estate Development to a Transfer Holdco, the Limited Partners' capital account balances will be determined after taking into account the distribution provisions of the Partnership Agreement. The Transfer Holdco is expected to provide the option to each Partner to (a) receive cash for the entirety of its percentage Interest in the transferred Real Estate Development; or (b) contribute its percentage Interest in-kind to, and receive a corresponding interest from, the Transfer Holdco. The GP can, but is not required to, allow Partners to transfer less than the entirety of the Partner's percentage Interest in a Real Estate Development to a Transfer Holdco. The

General Partner will be permitted (but not required) to contribute GP Interest Distributions received with respect to any Real Estate Development transferred to a Transfer Holdco, in part or in their entirety, in exchange for interests in the Transfer Holdco. Thompson Thrift expects to contribute at least 10% of the total equity interests in the Transfer Holdco. A Transfer Holdco is expected to have a different equity structure and/or distribution waterfall compared to the Partnership's.

Related Party Fees and Expenses. Thompson Thrift Development, Inc., or another affiliate of the GP, will provide the following services and will be paid (or reimbursed) by the Partnership for the Property-level services set forth below (hereafter referred to as "Related Party Fees"):

- Annual Asset Management Fee as described herein;
- Internal Financing Fee equal to 0.25% of land and construction loan amounts;
- Construction administration/owner's representation fees equal to 1.75% of each Property's development budget;
- Development overhead fee equal to 2.50% of each Property's development budget;
- Each Property will enter into a fixed sum contract with Thompson Thrift Construction, Inc., an affiliate of the GP, prior to the closing of its construction loan, which includes a general contractor fee equal to 5% of the construction contract amount, and a general contractor contingency equal to 3.5% of the construction contract amount;
- Property management fee initially equal to \$6,000 per month once on-site personnel have been hired for each Real Estate Development. Upon delivery of the first units for lease, the property management fee then be the greater of \$7,500 or up to 3.50% of effective gross income of the Property per month, with such fee increasing by

1.0% of the effective gross income with respect to any Real Estate Development held by the Partnership longer than 42 months. Each Property will pay compensation for on-site personnel;

- Reasonable hourly rates for in-house legal counsel (not to exceed \$550 per hour) attributable to the Partnership and/or the acquisition, development or disposition of each Property;
- Prior to, or concurrent with, closing of a construction loan for each Property, Thompson Thrift will be reimbursed by the Partnership for all pre-closing pursuit costs and due diligence costs (described below) plus interest as described in the Valuation Policy;
- Prior to, or concurrent with, closing of a construction loan for each Warehoused Property where a Contributing Partner contributed cash or in-kind with respect to the Warehoused Property or closed on the land loan for the Property prior to the closing of the construction loan and funded the required equity, the General Partner may agree that the Partnership will reimburse the Contributing Partner (including any Thompson Thrift affiliate) 100% of the funded equity for the land loan plus interest at the Warehousing Rate, or such other rate as may be agreed upon between the General Partner and any Contributing Partner that is not a Thompson Thrift affiliate; and
- Various other fees associated with management of each Property, including information technology fees of \$350 per month, payroll fees of \$300 per month, and one-time lease-up fee of \$125 per unit once a Real Estate Development achieves at least 92% occupancy (or upon its earlier disposition), and software fees billed on a per unit rate based on stage of completion.

Related Party Transactions with Thompson Thrift Warehoused Properties.

The General Partner, in its sole discretion, may allow a Contributing Partner to make a Capital Contribution to the Partnership, through an in-kind contribution of a Warehoused Property (directly or indirectly through a contribution of equity interests in its development entity) or through a contribution of cash to acquire and/or develop a Warehoused Property. The Contributing Partner can elect to assign or transfer its interest in a Warehoused Property in exchange for cash and/or an Interest in the Partnership. A Contributing Partner's Interest will be limited solely to the profit (loss), reserves and Partnership Expenses allocated to that Warehoused Property, which will reduce the investment percentages of other Limited Partners in that particular Property. The return to the Partnership attributable to a Warehoused Property may be greater than or less than the return attributable to other Properties owned by the Partnership. A fair value of each Warehoused Property that is assigned or contributed to the Partnership by Thompson Thrift will be determined in good faith by the General Partner according to the Valuation Policy attached hereto as Exhibit A.

The GP Commitment will include all or a portion of the value of any Warehoused Property contributed by an Affiliate Partner.

Pre-Closing Pursuit and Due Diligence Costs.

Contributing Partners typically incur pursuit costs when acquiring Warehoused Properties, which the Partnership will reimburse as described in the Valuation Policy.

When a Contributing Partner purchases a Warehoused Property before the construction loan closing, the land closing budget includes the cost of the land plus preconstruction interest for any land loan. The Partnership will reimburse the Contributing Partner for this pre-development cost through the date of acquisition based on invoices presented by the Contributing Partner.

At the closing of a construction loan for a

Warehoused Property, the Contributing Partner (including any Thompson Thrift affiliate) will be reimbursed by the Partnership (in cash and/or in kind) for the Property's acquisition cost, including pursuit and due diligence costs actually incurred, plus interest at the Warehousing Rate (or another rate agreed upon with a non-affiliated Contributing Partner).

Pre-closing pursuit and due diligence expenses typically include, but are not limited to, earnest money, site due diligence reports, costs of obtaining plans and permits, and architectural design, civil engineering and impact fees.

Please see ***Factoring the Risk - Related Party Transactions, Fees and Expenses - Related Party Transactions with Thompson Thrift.***

Financing Arrangements. The Partnership could enter into financing arrangements with any bank, insurance company or other financial institution or lender, including the GP and/or Thompson Thrift. Financing arrangements may include any type of mortgage, line of credit, mezzanine debt, or preferred equity arrangements with lenders that designate the General Partner or an Affiliate as the party in control of the Property on behalf of the Partnership prior to any event of default, subject to the Debt Limit.

To facilitate Capital Calls on a regular basis, the Partnership expects to establish a line of credit with a third-party bank or other financial institution as lender, which will require the Partnership to pledge Limited Partners' Capital Commitments as security for such borrowing. Instead of calling capital, the GP could, but is not required to, make a short-term loan to the Partnership, with interest at the Warehousing Rate, as defined within the Valuation Policy. The GP intends to cause the Partnership to repay advances under any line of credit or advance within 120 days from the date that funds were advanced to the Partnership. Thompson Thrift may secure an umbrella facility (the "Credit Facility") on behalf

of multiple real estate partnerships sponsored by Thompson Thrift, including the Partnership. It is expected that any credit extended to the Partnership would be primarily secured by uncalled Capital Commitments. The General Partner will not pledge Partnership assets as collateral under the Credit Facility unless amounts are drawn down for the benefit of the Partnership.

Repayment of the Partnership's debt obligations (including any short-term loans from Thompson Thrift) will occur prior to any distributions to Limited Partner.

Transfer to Transfer Holdco. In the future, the Partnership could elect to transfer one or more Real Estate Developments to a new real estate investment trust, income vehicle or other vehicle managed by Thompson Thrift, at a valuation determined in accordance with the Valuation Policy, subject to the Advisory Committee's review of the transfer value.

Please see ***Factoring the Risk - Related Party Transactions, Fees and Expenses - Transfer to Transfer Holdco.***

Diverse Limited Partners. In selecting Properties and structuring Real Estate Developments appropriate for the Partnership, the GP will not consider the tax consequences to any Limited Partner individually.

Real Estate Co-Investment Opportunities. The GP could offer co-investment opportunities in certain real estate transactions to select Limited Partners, as well as to affiliates of the GP or other private real estate groups and/or individuals. Given the nature and timing of co-investment opportunities, while the GP may bring co-investment opportunities to the attention of certain Limited Partners, there is no guarantee that the GP will bring co-investment opportunities to the attention of any other Limited Partners notwithstanding that certain Limited Partners may have been invited to participate. Any Limited Partner participating in a co-investment must satisfy independently the investor qualification

standards and other regulatory conditions applicable to such co-investment and, in any event, the GP shall reserve the final right to accept or reject the participation of such investors in the real estate opportunity.

Waivers and Modifications. As noted in the Partnership Agreement, the GP has the authority and discretion to waive, alter or otherwise modify many of the requirements generally applicable to Limited Partners. For example, the GP may, with respect to certain Limited Partners only, waive, alter or reduce any Asset Management Fee, GP Interest Distributions, minimum investment amount or capital withdrawal requirements and limitations. These waivers or modifications are made pursuant to separate written agreements (sometimes called "side letters") between the Partnership and the Limited Partners involved. The Partnership and the GP could enter into side letter agreements with Limited Partners that make large capital commitments, Limited Partner who subscribe through any fund of funds, Limited Partners advised by the same financial adviser, and/or any third party that provides administrative and/or fund accounting services to Limited Partners and their beneficial owners.

Formation of New Real Estate Partnerships.

Subject to certain limitations set forth in the Partnership Agreement, Thompson Thrift may establish additional private real estate limited partnerships, which may be competitive with the Partnership. There can be no assurance that the creation of such additional limited partnerships will not give rise to conflicts of interest between the Limited Partners of the respective limited partnerships.

GP Interest Distributions. The GP Interest Distributions that the GP will receive could create an incentive for the GP to approve and cause the Partnership to engage in riskier or more speculative Real Estate Developments than it would otherwise make in the absence of such compensation.

Effect of Fees and Expenses on Returns. The Partnership will pay Partnership Expenses and will pay (or reimburse) the GP and/or Thompson Thrift for Related Party Fees and Expenses (described above). Partnership Expenses, including Related Party Fees, will reduce the actual returns to Limited Partners. Partnership Expenses will be paid regardless of whether the Partnership produces positive returns. If the Partnership does not produce significant positive returns, Partnership Expenses could reduce the amount of the distributions recovered by a Limited Partner to an amount less than the amount invested in the Partnership by such Limited Partner. The Related Party Fees were determined by Thompson Thrift and were not negotiated on an arms'-length basis. As a result, it's possible that the Partnership could incur fees and expenses that are higher than those that could be negotiated with an independent third party.

Use of Third-party Services. The Partnership or the GP could enter into arrangements with third parties who may provide the GP with supporting due diligence services. Such service providers may receive consulting fees, and may therefore be deemed to have a conflict of interest.

Valuation of Assets. The value of Partnership assets is determined in such manner as the GP deems fair and reasonable. The GP does not expect to amend, replace or deviate from its Valuation Policy in a material manner without the approval of the Advisory Committee. The GP has a conflict of interest in that the GP could receive a higher GP Interest Distribution with respect to Warehoused Properties contributed by Affiliate Partners to the Partnership, or with respect to assets distributed in-kind to Limited Partners, if the Properties or Real Estate Developments are given a favorable valuation.

Legal Counsel. Faegre Drinker Biddle & Reath LLP ("FDBR") serves as legal counsel for Thompson Thrift, the GP and the Partnership. FDBR has relied upon certain information furnished to it by

Thompson Thrift or the GP and has not investigated or verified the accuracy or completeness of such information. In connection with this offering and subsequent advice to the Partnership, Thompson Thrift, the GP and their respective Affiliates, FDBR's engagement is limited to the specific matters as to which it is consulted and, therefore, there may exist facts or circumstances that could have a bearing on the Partnership's financial condition or operations with respect to which FDBR has not been consulted and for which it expressly disclaims any responsibility. FDBR does not, and will not, serve as counsel for, or represent the interests of, Limited Partners, and FDBR has disclaimed any fiduciary or attorney-client relationship with the Limited Partners. Prospective investors should obtain the advice of their own financial, legal and tax advisers prior to subscribing for an Interest in the Partnership.

III. RISKS RELATED TO THE PARTNERSHIP

Investment in the Partnership is designed only for sophisticated persons and involves a substantial degree of risk of, and exposure to, loss of capital. Prospective investors should carefully consider the risk factors involved in an investment in the Partnership and should consult their own legal, tax and financial advisers with respect to such risks.

Lack of Operating History. The Partnership has no operating history. While Thompson Thrift and certain of its managing principals and its Affiliates have substantial experience with real estate development, management and financing, the prior performance of Thompson Thrift's real estate developments is no guarantee of the Partnership's future success. There can be no assurance that the Partnership's acquisition, development or financing of certain Properties and Real Estate Developments will be successful, and no assurance can be given that Limited Partners will realize a return on their Interest in the Partnership.

Definitive Terms and Conditions. Portions

of this Memorandum describe specific terms and conditions expected to be set forth in the Partnership Agreement. The actual terms and conditions set forth in the Partnership Agreement may vary materially from those described in this Memorandum for a variety of reasons, including negotiations between the General Partner and Limited Partners prior to the Initial Closing Date, as well as formal amendments to the Partnership Agreement following the Initial Closing Date. Moreover, the Partnership Agreement will contain highly detailed terms and conditions, many of which are not described fully (or at all) in this Memorandum. In all cases, the Partnership Agreement will supersede this Memorandum. Prospective investors are urged to carefully review the Partnership Agreement, and must also be aware that, pursuant to the rules governing amendments set forth in the Partnership Agreement, certain types of amendments to the Partnership Agreement may be adopted with the consent of less than all Limited Partners.

Reliance on the GP. The Partnership will rely primarily on the efforts and expertise of the GP and Thompson Thrift's principals. In the event that these principals are no longer engaged in the active day-to-day management of the Partnership, the Partnership may not be able to continue financing real estate opportunities or successfully realize positive returns from existing real estate investments. The loss of services of the GP or any Thompson Thrift principal could have an adverse impact on the Partnership's ability to achieve its objectives.

Penalty for Failure to Make Capital Contributions. If a Limited Partner fails to fund its Capital Commitment obligation or make required Capital Contributions when due, the Partnership may be unable to avail itself of a real estate opportunity or pay its obligations when due, thereby resulting in potential losses for the Partnership. In addition, a defaulting Limited Partner is subject to customary

default provisions, including forfeiture of a substantial portion of its Interest.

No Market or Liquidity for Partnership Interest.

The Interests have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), the securities laws of any state, or the securities laws of any other jurisdiction (foreign or domestic) and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. There is no public market for Interests and no public market is expected to develop. In addition, Limited Partners will generally not be permitted to assign their Interests, except by operation of law, without the GP’s prior written consent, which consent may be given or withheld in the GP’s sole and absolute discretion. Voluntary withdrawals from the Partnership will not be permitted. Accordingly, Limited Partners must be prepared to bear the risks of owning their Interests for an extended period of time.

Restrictions on Transfers of Interests.

Transferability of the Interests is severely restricted and limited. Interests may be acquired for investment purposes only and not with a view to or for resale in connection with any distribution thereof. The Interests will not be registered under the Securities Act for resale or public sale, in reliance upon an exemption therefrom. Unless an exemption from registration is available, Limited Partners may not transfer their Interests without violating the Securities Act. The Partnership has no present intention of registering the Interests in the future. In addition, certain states in which the Interests may be sold impose further restrictions on the transfer of Interests in the Partnership. Transfers must comply with all applicable securities laws, must be approved by the GP and must comply with the GP Transfer Policy. Pursuant to the Partnership Agreement, the GP may refuse to grant such approval for any reason or no reason.

Limited Partners will not have the right to withdraw their capital contributions or other funds from the Partnership or to receive the return of all or any portion of their capital contributions or other funds, except pursuant to the terms of the Partnership Agreement.

Confidentiality Obligation. Each potential investor who receives offering materials or other information from the GP or Thompson Thrift about the Partnership, or about Thompson Thrift’s past or future real estate developments, agrees to keep all such information strictly confidential and to refrain from disclosing such information, except to the investor’s own legal, tax and financial advisers in connection with evaluating a potential investment in the Partnership, or as otherwise expressly permitted in writing by the GP or required by law. Any unauthorized release of confidential information by a potential investor will be treated as a breach of such investor’s confidentiality obligations entered into by the investor’s receipt of these offering materials. The Partnership and the GP shall be authorized by such investor to take all appropriate actions to prevent, and to seek damages for, the unauthorized disclosure of such confidential information.

No Right to Control the Partnership’s Operations.

In order to maintain the limitation on liability afforded Limited Partners with respect to the liabilities and obligations of the Partnership, Limited Partners must rely entirely on the GP to acquire, manage and develop the Properties, the Real Estate Developments and to manage the business affairs of the Partnership. Accordingly, Limited Partners will have no opportunity to control the Partnership’s day-to-day operations, including acquisition and disposition decisions regarding the Properties.

Indemnity Obligation; Potential Requirement to Return Distributions. The GP, its Affiliates, the Placement Agent and other parties are entitled to indemnification, except under certain circumstances, from the Partnership. The assets

of the Partnership will be available to satisfy these indemnification obligations and Limited Partners may be required to make capital contributions and return distributions to satisfy such obligations. Such obligations will survive the dissolution of the Partnership.

Follow-On Funding. The Partnership may be called upon to provide additional funding with respect to a Real Estate Development. These funds may be necessary, among other things, to correct defects or make improvements to a Real Estate Development. There can be no assurance that the Partnership will provide additional funds or that it will have sufficient funds to do so. Any decision by the Partnership not to provide additional funding could have a substantial negative impact on a Real Estate Development that is in need of financing or may diminish the Partnership’s ability to influence the Real Estate Development’s future development if such capital is funded by a third party. Further, if follow on funding is required to correct defects or damage to one or more Real Estate Developments and the Partnership is unable to provide such funds, the relevant Real Estate Development could be adversely affected.

Potential Lack of Distributions. As a tax partnership, items of income, gains, loss, and deduction of the Partnership are passed through to its Limited Partners for federal tax purposes regardless of whether any distributions have been made. Subject to having available funds, the Partnership intends to make distributions to its partners to cover their tax liabilities attributable to their share of the Partnership’s income. It is possible however, that no funds will be available for distribution or that any distributions made would be less than the income tax liabilities incurred by the Limited Partners as a result of owning Interests in the Partnership.

Litigation. In the ordinary course of its business, the properties could be subject to litigation from

time to time. The outcome of such proceedings may materially adversely affect the value of the properties and may continue without resolution for extended periods of time. Any litigation may require the time, attention, and resources of the GP and its managing principals.

Cybersecurity Risk. The information and technology systems of the GP's and its key service providers may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, and usage errors by their respective professionals. For instance, cyber-attacks may interfere with such party's provision of services, cause the release of confidential information, including private information about the Partnership, or cause reputational damage. Additionally, cyber-attacks or security breaches (e.g., hacking or the unlawful withdrawal or transfer of funds) affecting any of the key service providers may cause significant harm to the Partnership or the properties. Although the GP has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Partnership or any key service provider accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data.

Subscription Line of Credit; Partnership-Level Borrowing. The Partnership generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations, including, without limitation, to pay Asset Management Fees and other Partnership Expenses, to fund the acquisition of the Properties, or to fund construction

of Real Estate Developments, which the Partnership expects to repay upon receipt of Capital Contributions from Limited Partners. Partnership-level borrowing subjects Limited Partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the General Partner's right to call capital from the Limited Partners, Limited Partners may be obligated to contribute capital on an accelerated basis if the Partnership fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Limited Partner claim against the Partnership would likely be subordinate to the Partnership's obligations to a subscription line's creditors. In addition, Partnership-level borrowing will result in incremental Partnership Expenses. These expenses could include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the Limited Partners and the terms of the Partnership Agreement, it may be higher than the interest rate a Limited Partner could obtain individually. To the extent a particular Limited Partner's cost of capital is lower than the Partnership's cost of borrowing, Partnership-level borrowing can negatively impact a Limited Partner's overall individual financial returns even if it increases the Partnership's reported new returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Partnership-level borrowing typically delays the need for Limited Partners to make contributions to the Partnership, which in certain circumstances enhances the Partnership's internal rate of return calculations and thereby may be deemed to benefit

the marketing efforts of the General Partner and its affiliates. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to acquire a Property that is later sold or transferred to a buyer or a Transfer Holdco that were not required to act as guarantors under the relevant facility or pay related costs or expenses. In such instances, the acquirors nevertheless stand to receive the benefit of the use of the subscription line and neither the Partnership nor Limited Partners generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A lender could require certain terms in the credit agreement that would restrict the activities of the Partnership and the Limited Partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the GP's ability to consent to the transfer of a Limited Partner's interest in the Partnership. In addition, in order to secure a subscription line, the GP may request certain financial information and other documentation from Limited Partners to share with lenders. The GP will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more Limited Partners. Partnership-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the GP to acquire Properties and pay Partnership Expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for Limited Partners that would not arise had the GP called smaller amounts of capital incrementally over time as needed by the Partnership. The GP is authorized to use Partnership-level borrowing to pay Asset Management Fees and to reimburse the GP or its affiliates for Partnership Expenses incurred on behalf of the Partnership.

Thompson Thrift may secure an umbrella credit facility (the “Credit Facility”) on behalf of multiple real estate partnerships sponsored by Thompson Thrift, including the Partnership. It is expected that any credit extended to the Partnership would be primarily secured by uncalled Capital Commitments. The General Partner will not pledge Partnership assets as collateral under the Credit Facility unless amounts are drawn down for the benefit of the Partnership.

Risk of Rising Interest Rates; Lack of Access to Credit. The acquisition of Properties and implementation of development plans require the Properties and/or the Property Holdcos to incur indebtedness. During times of rising interest rates, borrowing costs may increase. Such increased borrowing costs may negatively impact development costs and property operating profit. Rising interest rates may also have a negative impact on Property valuations at the time of realization. As a result, rising interest rates may materially and adversely affect the completion of the Real Estate Developments and their ultimate profitability.

To the extent that bridge loans, mezzanine loans or other short-term financing is employed in connection with Property acquisition or the implementation of the development plan, rising interest rates may prevent or otherwise limit the ability to refinance on favorable terms. To the extent that variable rate or adjustable-rate financing is employed, rising interest rates will result in a direct increase in borrowing costs. There are no assurances that the General Partner will be able to hedge, fully or partially, any exposure to a variable rate or adjustable-rate loan.

In addition, when providing financing, a lender may impose restrictions on the Partnership that affect operating policies and the ability to incur additional debt relating to the properties. These or other limitations may adversely affect the Partnership’s ability to achieve its objectives.

The terms of the loans the Partnership may obtain in the future will vary and the exact terms are unknown. It is anticipated that the loans will not allow for any type of prepayment except shortly before the maturity date and any prepayment may require the payment of a yield maintenance penalty or defeasance. Consequently, the Partnership would not be able to take advantage of favorable changes in interest rates. The final terms of any loan, if less than favorable, could adversely impact the results of operation.

Moreover, rising interest rates are often accompanied by reduced credit availability. Reduced availability of real estate financing or high interest rates on real estate loans will adversely affect the Partnership’s Real Estate Developments and its ability to ultimately sell them to the increased cost borne by a purchaser in connection with the acquisition.

Lender’s Impairment or Failure. The impairment or failure of one or more financial institutions or lenders with whom the Partnership transacts may inhibit the Partnership’s or a Property Holdco’s ability to access depository accounts. In such cases, the Partnership or a Property Holdco may be forced to delay or forgo development, resulting in lower Partnership performance. In the event of such a failure of a banking institution where the Partnership or a Property Holdco holds depository accounts, access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation (“FDIC”) protection may not be available for balances in excess of amounts insured by the FDIC. In such instances, the Partnership or a Property Holdco may not recover such excess, uninsured amounts.

IV. RISKS RELATED TO REAL ESTATE DEVELOPMENTS

General Real Estate Risks. Development, ownership and operation of real estate, including the Properties, is highly competitive and involves

numerous risks, including those described herein. Transfer of a Property may be subject to significant legal, contractual, and/or practical restrictions. Multifamily developments are subject to the risks of fluctuations in rents, occupancy rates and operating expenses, which in turn may be affected adversely by changes in general local economic conditions, adverse changes in interest rates and availability of permanent mortgage funds that may render the sale or refinancing of the Properties difficult or unattractive, adverse changes in real estate zoning laws and land use regulations, environmental issues including discovery of hazardous waste or other unsafe conditions on such property, acts of God and other factors that are beyond the control of the GP, the supply and demand for housing, changes in the population of the area, failure of tenants to pay rent, vandalism, adverse use of adjacent or neighboring real estate, over-supply of available residential units, reduced employment in the area of a property, ongoing need for capital improvements, reduced costs of operating competing developments, and increased real property taxes. Because certain costs of real estate ownership (principally real estate taxes, note payments, and insurance) do not generally decrease with decreases in occupancy rates, the cost of operating the Real Estate Development may exceed the income therefrom. The Partnership may sustain a loss of all or a part of its equity in a property as a result of the foreclosure of the lender’s mortgage or deed of trust. If the income from a Real Estate Development is not sufficient to meet operating expenses, the Partnership may be required to advance funds to protect its committed capital or dispose of the Property on unfavorable terms in order to raise needed funds.

Special Risks Relating to Multifamily Real Estate Developments. The Partnership intends to develop Properties into multifamily Real Estate Developments. Factors that may affect the value and successful operation of a development include, but

are not limited to: the location of the development, including whether the neighborhood in which it is located has changed over time; construction quality; types of services or amenities that the development provides; the level of mortgage interest rates, which may encourage tenants to purchase rather than lease housing; the tenant mix; government programs that provide rent subsidies to tenants pursuant to tenant voucher programs, which vouchers may be used at other developments and influence tenant mobility; and the ability of management to provide adequate maintenance to the development. Each of these factors could affect the profitability of the Real Estate Developments.

Apartments Involve Certain Special Risks.

Apartment complexes have individual residential tenants with limited net worth and with lease terms that are typically shorter than those of a commercial lease. As a result, apartments are particularly vulnerable to, among other things, competition from new development, and to changes in economic conditions or employment conditions in the surrounding geographic area. The occurrence of any such risks could diminish the resale value of the property and, consequently, limit the Partnership's return on such investment. In addition, tenant turnover at apartment complexes can cause the property owner to incur significant fix-up costs in order to prepare units for new tenants.

A Real Estate Development may incur vacancies due to the inability of the property manager to attract tenants, default by tenants under their leases or the expiration of tenant leases. If vacancies continue for a long period of time, the Real Estate Development may suffer reduced revenues. In such an event, resale value of the property could be diminished, and thus the ultimate return to the Partnership. The success of the Partnership's real estate acquisition and development strategy may be materially dependent on the financial stability of its tenants. In the event of a tenant default, the Partnership could experience delays in enforcing its rights as landlord

and may incur substantial costs in protecting its assets.

Reassessments for Tax Purposes Could Increase the Partnership's Tax Burden. Properties will likely be subject to real property taxes and, in some instances, personal property and excise taxes. Such taxes may be at a reduced or incentive rate for a specific period of time or may naturally increase as tax rates change and as the properties are assessed or reassessed by taxing authorities. An increase in taxes on the Partnership's real property could adversely affect the Partnership's results from operations and could decrease the value of that real property. An increase in taxes on any Properties could adversely affect the Partnership's revenues.

Lack of Skillful Property Management. The successful operation of a real estate project depends upon the GP's performance and viability. The property manager is responsible for, amongst other duties, (a) responding to changes in the local market; (b) operating the property and providing building services; (c) managing operating expenses; and (d) ensuring that maintenance and capital improvements are carried out in a timely fashion. Properties deriving revenues primarily from short-term sources, such as short-term or month-to-month leases, are generally more management intensive than properties leased to creditworthy tenants under long-term leases. There can be no assurance as to the skills of any managers of the properties, including the GP or Thompson Thrift.

Competition for Properties. Real estate development is highly competitive and involves a high degree of uncertainty. The GP seeks to acquire and develop various Properties that may attract other competitive buyers, such as individuals, corporations, public and private real estate investment trusts and other entities engaged in real estate activities substantially similar to the Partnership. There can be no assurance that the Partnership will be able to acquire and develop Properties that satisfy the Partnership's objectives.

Property-Level Debt. The Partnership will incur substantial amounts of debt financing at the Property-level. Debt service requirements may deplete cash flows of the Properties, and relatively small changes in the overall value of investments will have a magnified impact on the value of the equity of the Partnership. If a Property was unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of the property might be significantly reduced or even eliminated. Tax-exempt Limited Partners will be subject to unrelated business income taxation because of the Partnership's use of leverage. See **Federal Income Tax Related Risks** below.

The use of leverage involves a high degree of financial risk and will increase the exposure of the properties to adverse economic factors such as rising interest rates, downturns in the economy, or deterioration in the condition of the Properties.

Some Property-level leverage may be in the form of structurally subordinated mezzanine loans, either directly or indirectly through a Property-owning entity. Subordinated debt will be subordinated to the senior obligations of the Property. Greater credit risks are usually attached to subordinated debt than to a borrower's first mortgage or other senior obligations. In addition, subordinated debt may not be protected by financial or other covenants and may have limited liquidity. Adverse changes in a Property's financial condition and/or in general economic conditions may impair the ability of the property to make payments on subordinated debt and cause it to default more quickly with respect to such securities than with respect to the Property's or Real Estate Development's senior obligations. In many cases, the GP's (or an Affiliate's) management of the Real Estate Developments and the Partnership's profits interests in such Real Estate Developments, will be subject to the rights of its senior and subordinated lenders.

The Properties rely on the availability of debt capital. The inability to obtain debt capital on terms

and conditions favorable to us may prevent the Partnership from acquiring the Properties.

Please see ***Risk of Rising Interest Rates; Lack of Access to Credit above.***

Recapitalization Risk. Although the Partnership's goal is to build, lease and sell Real Estate Developments within 36 months from the closing of construction financing, there is no guarantee that the Partnership will meet this goal with respect to any (or all) Real Estate Developments. The Partnership has the ability to borrow for any reason, including to recapitalize (i.e. borrowing to pay off construction financing and then holding and operating) its Real Estate Developments, in the General Partner's discretion. For example, the General Partner could recapitalize the Partnership's entire portfolio of Real Estate Developments, and continue to own and manage them during the Partnership's term, in circumstances when the General Partner determines that a delay in selling potentially could maximize sales prices at a later date. The Partnership will incur borrowing costs to recapitalize the Real Estate Developments, which will increase Partnership Expenses and potentially reduce returns to Limited Partners. Limited Partners will be subject to market risks during recapitalization, as property values could decline due to macroeconomic shifts, local market saturation, or changes in demand. Rising interest rates also could depress property values and increase the costs of refinancing. Limited Partners also will be subject to lease-up and absorption risks, as multifamily developments may take longer to lease up, delaying rental income, and concessions may be required to attract tenants which will decrease profitability. Operational risk also is involved, as costs for upkeep and capital expenditures could be incurred. Recapitalization also could involve unfavorable terms during tight credit markets, and the Partnership's violation of any debt covenants or thresholds can trigger penalties or defaults. As a result, the Partnership's capital could be locked up during recapitalization

and not distributed to Limited Partners, as lenders typically are senior to equity holders and the loan agreements could prohibit distributions to Limited Partners until after repayment of all principal and accrued interest by the Partnership.

Real Estate is Illiquid. Real estate is relatively illiquid. The ability of the Partnership to exit the Real Estate Developments in response to changes in economic and other conditions will be limited. No assurances can be given that the fair market value of any Property acquired by the Partnership will not decrease in the future or that the Partnership will recognize full value for any property that the Partnership is required to sell for liquidity reasons. The Partnership may not be able to dispose of properties on timeframes with respect to which it desires to do so, or at all.

Occupancy of a Property. If a Real Estate Development does not maintain adequate occupancy levels, the Real Estate Development may not generate sufficient revenue to satisfy its operating obligations, which ultimately may result in a foreclosure of the deed of trust or mortgage covering the Property, a loss of the Partnership's equity in the Property, and adverse tax consequences to the Partnership and the Limited Partners. There can be no assurance that the tenants of a Real Estate Development will timely pay all rents due to the Real Estate Development. There can be no assurance that the Real Estate Developments will maintain occupancy levels sufficient to generate adequate revenue with which to meet such obligations or that forecasted rental increases will take place, if at all, within the projected time periods, or that expenses will be within forecasted amounts.

Redevelopment of Properties. The Partnership could acquire Properties that require redevelopment (that is clearance and rebuilding as a Real Estate Development), which may often be non-income producing. To the extent that the Partnership acquires such assets, it will be subject to the

risks normally associated with such assets and redevelopment activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals, the cost and timely completion of construction (including risks beyond the control of the Partnership, such as weather or labor conditions or material shortages), and the availability of financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of redevelopment activities once undertaken, any of which could have an adverse effect on the Partnership. Properties under redevelopment or properties acquired for redevelopment may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, changes in market conditions during the course of redevelopment may make such activities less attractive than at the time they were commenced.

Market Rate Housing Risks. To the extent that certain Properties are developed to offer market-rate housing, market fluctuations will impact rental income and the Property's value. The Partnership also could experience potential financing challenges and additional tenant-related issues, such as higher ongoing maintenance costs and the need for increased insurance and liability protection. These Properties will be subject to location-specific risks. In addition, Congress may not continue to support key tax incentive legislation to support affordable housing. Inflation could impact development costs, as well as potential rental rates, since rents can only rise as incomes rise. Finally, rising costs could create the need for greater amounts of debt for these types of Properties.

Environmental Matters. The Properties will be subject to U.S. federal and state environmental laws, regulations, and administrative rulings,

which, among other things, establish standards for the treatment, storage and disposal of solid and hazardous waste. The Partnership, as owner of the Properties, will be subject to U.S. federal and state environmental laws which impose joint and several liabilities on past and present owners and users of real property for hazardous substance remediation and removal costs. Therefore, there may be exposure to substantial risk of loss from environmental claims arising in respect of any property with undisclosed or unknown environmental problems or as to which inadequate reserves have been established. These laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. In addition, the Partnership's liability as to any property generally is not limited under such laws and regulations and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to remediate such substances properly, may also adversely affect the owner's ability to sell or lease the Property or to borrow using the Property as collateral. The Partnership also may be liable for environmental contamination of Properties that are sold or for the release of hazardous or toxic substances from such properties. Some laws and regulations impose liability for the release of certain materials into the air or water from a property, including asbestos, and such release can form the basis for liability to third persons for personal injury or other damages. Other laws and regulations can limit the development of, and impose liability for, the disturbance of wetlands or the habitats of threatened or endangered species.

Harmful Mold and Other Air Quality Issues. When excessive moisture accumulates in buildings or on building materials, mold may grow, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants.

Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources, and other biological contaminants such as pollen, viruses, and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of the properties could require the Partnership to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property, increase indoor ventilation, necessitate the temporary relocation of some or all of the Real Estate Development's tenants, or in extreme cases require extensive rehabilitation of the affected Real Estate Development. In addition, the presence of significant mold or other airborne contaminants could expose the Partnership to liability from its tenants, employees of its tenants, and others if property damage or health concerns arise. No assurances can be made that the Partnership will have full coverage under its existing policies for property damage or liabilities to third parties arising as a result of exposure to mold or a claim of exposure to mold at a particular Property.

Possibility of Future Terrorist Activity. Terrorist attacks can disrupt financial and insurance markets and negatively impact economies in general, increasing many of the risks noted in this Memorandum. The properties, or the areas in which they are located, could be subject to future acts of terrorism. In addition to the potential direct impact of any such future act, future terrorist attacks and the anticipation of any such attacks could have an adverse impact on financial and insurance markets and economies, thus harming leasing demand for, and the value of, the properties. It is not possible to predict the severity of the effect that such future events would have on financial and insurance markets and economies or the properties. These

events may have a negative effect on the business and performance results of one or more of the Properties, including by raising insurance premiums and deductibles and limiting available insurance coverage for the Properties.

Americans with Disabilities Act and Similar Laws.

Under the Americans with Disabilities Act of 1990 (the "ADA"), all public accommodations must meet federal requirements related to access and use by disabled persons. If one or more of the properties does not comply with the ADA, then the Partnership may be required to incur costs to bring the property into compliance, which may or may not have been foreseen at the time of acquisition. A number of additional U.S. federal, state and local laws exist that impact the Properties with respect to access thereto by disabled persons. For example, the Fair Housing Amendments Act of 1988 (the "FHAA") requires that apartment communities be accessible to the handicapped. Noncompliance with the FHAA could result in the imposition of fines, an award of damages to private litigants, payment of attorneys' fees and other costs to plaintiffs, substantial litigation costs, and substantial costs of remediation. Future changes to federal, state and local laws also may require modifications to the Properties or restrict the Partnership's ability to renovate its properties. The Partnership cannot predict the ultimate cost of compliance with the ADA, FHAA or other legislation. If the Partnership incurs substantial costs to comply with the ADA, FHAA, and any other similar legislation, the Partnership's financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy its debt service obligations could be materially adversely affected.

Competition with the Properties. There are properties available in the vicinity of or otherwise competitive with each of the Properties and Real Estate Developments held by the Partnership. To the extent these competing properties are more successful than the Partnership's properties, whether because of location, amenities, better

management, lower rents, or other factors, it will be more difficult for the Properties and Real Estate Developments to achieve and maintain occupancy levels sufficient to generate adequate revenue to profitably operate the property.

No Assurance of Property Appreciation or Profits.

There can be no assurance that any Property or Real Estate Development will be sold or transferred at a profit. The marketability and value of the Properties and Real Estate Developments will depend upon many factors beyond the control of the GP. There also can be no assurance that there will be a market for resale of the Properties and Real Estate Developments.

Prolonged Economic Slowdown, Lengthy or Severe Recession, or Declining Real Estate Values Could Harm the Partnership's Returns.

A prolonged economic slowdown, recession or declining real estate values could harm the Partnership's financial condition, and limit tenant's ability to pay rent. Declining real estate values are likely to have one or more of the following adverse consequences:

- reduce the properties available to be acquired by the Partnership or the level of financing available to the Partnership;
- make it more difficult for existing tenants and lessees to remain current on their payment obligations to the Partnership; and
- any sustained period of increased payment delinquencies, foreclosures or losses could adversely affect the Partnership's interest income from Properties in its portfolio, which could adversely affect its business, financial condition and operating results and its ability to make distributions of income to its Limited Partners.

Continuing Inflation Could Impact the Partnership's Returns. Rising inflation could have an adverse impact on the profitability of the Properties and Real Estate Developments in the Partnership's portfolio, which could diminish the

Partnership's returns. Real estate development costs are subject to inflationary cost increases for, but not limited to, raw materials, labor and energy. Furthermore, inflation may further exacerbate other risk factors, including customer demand, supply chain disruptions and financing.

Availability of Financing. Market conditions existing at the time of the desired sale of a Property or Real Estate Development could make the financing or the sale to prospective purchasers difficult or costly to obtain financing and, therefore, reduce the ability of the Partnership to sell the Property or Real Estate Development for an acceptable price. In addition, in connection with a decision as to whether to sell a property, the GP and Limited Partners may have opposing interests.

Contingent Liabilities May Exist on Disposition of Properties. In connection with the disposition of a Property or Real Estate Development, the Partnership may be required to make certain representations and warranties about such property. The Partnership may also be required to indemnify the purchasers of such properties in case any such representations and warranties are inaccurate, incorrect or misleading. These arrangements may create contingent liabilities of the Partnership, for which the GP may establish reserves or escrow accounts.

Uninsured Losses. The Partnership will cause the Partnership and/or each property to procure and maintain public liability and casualty insurance for the full replacement cost of the property with such coverages as the GP shall determine using prudent business judgment. Certain types of losses may not be insured against at a reasonable cost. Should such a loss occur, the Partnership could lose its invested capital. Liability claims could also materially and adversely affect the Partnership if resulting judgments exceed insurance proceeds or coverage. The cost of insurance coverage has substantially increased in recent years and will likely continue to increase, which will make certain types of insurance

coverage difficult to obtain at reasonable costs.

Global Conflicts. Global tensions, particularly between China, Russia, the U.S. and a number of European states, have heightened significantly as a result of Russia's invasion of Ukraine, China's launch of missiles near Taiwan, increased tension in the Middle East, and the escalation of hostilities between the United States and several foreign countries. The outbreak of hostilities could result in more widespread conflict and could have a severe adverse effect on the region and the markets. In addition, sanctions imposed on Russia or China by the United States and other countries, and any sanctions imposed in the future could have a significant adverse impact on these foreign countries' economy and related markets. The cost to develop the Properties may fluctuate widely as a result of the conflict and related events. How long such conflict and related events will last and whether it will escalate further cannot be predicted, nor its effect on the Partnership.

Risks of Tariffs. The current administration's tariffs plan, including a prolonged trade war with China, could trigger economic adjustments that hurt the financing and development of multifamily projects across the United States. For example, tariff policies may raise the cost of construction and development. In addition, tariffs pose an inflationary threat to development budgets that may require larger equity infusions into Real Estate Developments than originally forecast or increased operating costs which, in turn, would result in lower returns for Limited Partners. Should tariffs trigger an actual recession, the Partnership could have a difficult time leasing up Real Estate Developments and, upon completion of a Real Estate Development, the Partnership could be required to recapitalize and continue holding a Real Estate Development until the rate environment stabilizes and the uncertainties around tariffs dissipate.

V. FEDERAL INCOME TAX RELATED RISKS

CERTAIN TAX CONSEQUENCES TO LIMITED PARTNERS WILL VARY FROM LIMITED PARTNER TO LIMITED PARTNER DEPENDING ON THE LIMITED PARTNER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, EACH LIMITED PARTNER SHOULD CONSULT ITS OWN ADVISORS REGARDING ALL OF THE FEDERAL, STATE, LOCAL AND FOREIGN TAX AND REGULATORY CONSEQUENCES RELATING TO AN INVESTMENT IN THE PARTNERSHIP BASED ON EACH LIMITED PARTNER'S SPECIFIC CIRCUMSTANCES.

EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR. NEITHER THE PARTNERSHIP NOR THE GP IS PROVIDING ANY TAX ADVICE TO ANY PROSPECTIVE INVESTOR.

Risk of Audit. The Partnership could be audited by the Internal Revenue Service (the "IRS"). An audit adjustment to the Partnership's tax return for any tax year (a "Prior Year") could result in a tax liability (including interest and penalties) imposed on the Partnership for the year during which the adjustment is determined (the "Current Year"). The tax liability generally is determined by using the highest tax rates under the Internal Revenue Code applicable to U.S. taxpayers, although the Partnership may be able to use a lower rate to compute the tax liability by taking into account (to the extent it is the case and the implementing rules permit) any of the Partnership's tax-exempt or foreign Limited Partners. Alternatively, the Partnership may be able to elect with the IRS to pass through such adjustments for any year to the partners who participated in the Partnership for the Prior Year, in which case each Prior Year participating partner, and not the Partnership, would be responsible for the payment of any tax deficiency, determined after including its share of the adjustments on its tax return for that year.

If such an election is made by the Partnership, interest on any deficiency will be at a rate that is two percentage points higher than the otherwise applicable interest rate on tax underpayments. If

such an election is not made, Current Year partners may bear the tax liability (including interest and penalties) arising from audit adjustments at significantly higher rates and in amounts that are unrelated to their Prior Year economic interests in the partnership items that were adjusted.

"At Risk" Limitations. If the Partnership generates tax losses, the "at risk" rules of Section 465 of the Code, which are applicable to individuals, partnerships, and closely held corporations but not widely-held corporations, and which apply to the activity of holding real property, may limit the amount of such losses that the Limited Partners may utilize, or when they can utilize a loss.

Passive Income and Losses. If the Partnership generates tax losses, such losses would be considered "passive activity losses" and, for certain taxpayers, including individuals, would be deductible only against "passive activity income," pursuant to Section 469 of the Code. If a Limited Partner is subject to Section 469, such Limited Partner's ability to deduct losses from the Partnership will be severely limited. Any income earned by the Partnership will be treated as "passive income" under Section 469 and Limited Partners will be able to utilize their share of such passive income to offset against any passive losses arising out of the Partnership or other passive sources of such Limited Partner.

Section 199A Deduction. Under Section 199A of the Code, a taxpayer may be entitled to a 20% deduction on such taxpayer's "qualified business income" from a "qualified trade or business" conducted by a partnership, S corporation or sole proprietorship for taxable years beginning after December 31, 2017 and ending before January 1, 2026 (subject to certain wage and asset-based limitations discussed below). Qualified business income is generally the net amount of qualified items of income, gain, deduction and loss with respect to a "qualified trade or business." An item of income, gain, deduction or loss is generally

considered a "qualified item" only if it is income from a U.S. trade or business, not certain types of excluded investment income and not compensation to the taxpayer. If the amount of "qualified business income" for a tax year is less than zero, the loss will be treated as a loss from a "qualified trade or business" in the next tax year. the deductible amount for owners of a "qualified trade or business" is also modified for taxpayers with income in excess of a threshold amount. The deduction is limited to the lesser of (i) 20% of the "qualified business income" or (ii) the greater of (A) 50% of the W-2 wages with respect to the "qualified trade or business" or (B) the sum of 25% of the W-2 wages with respect to the "qualified trade or business" plus 2.5% of the unadjusted basis of acquired tangible depreciable property that is used to produce qualified business income and satisfies certain other requirements. This limitation is phased in over the next \$100,000 for filers of joint returns and \$50,000 for all other filers. Each investor should consult with his, her or its tax advisor concerning the possible application of Section 199A of the Code to his, her or its particular circumstances. Currently proposed legislation would extend and modify the Section 199A rules if enacted.

Excess Business Loss Limitations. In addition to the limitations described above, through 2028, "excess business loss" rules limit the amount of trade or business losses that noncorporate taxpayers can use to offset nonbusiness income. Excess business losses are carried forward as a net operating loss. Currently proposed legislation would make this limitation on excess business losses permanent.

Limits on Deduction of Interest. The Partnership's interest expense allocable to noncorporate Limited Partners may be subject to the investment interest limitation of Code Section 163(d). Under that limitation, the deduction for investment interest generally is limited to net investment income (i.e., the excess of investment income generally (other than capital gains) over investment expenses). The investment interest limitation may also apply

to some of the interest paid by a non-corporate Investor on debt incurred to finance his, her or its Interest. Losses limited by the investment interest limitation may be carried forward and deducted in succeeding years, subject to the same limitation.

Notwithstanding the foregoing, to the extent the amount of any interest expense of the Partnership is treated as properly allocable to the conduct of a trade or business, the ability of the Partnership and, correspondingly, the Limited Partners, to deduct any such business interest would generally be limited to 30% of its “adjusted taxable income,” which generally is the Partnership’s taxable income for the current year determined without taking into account any non-business income, and business interest income or net operating loss. To the extent such limitation applies, the portion of any business interest expense that is not allowed as a deduction in the current taxable year is generally carried forward and treated as business interest expense in the succeeding taxable year, in which case certain limitations may apply. The application of the business interest limitations in a partnership context is complex. Moreover, the Partnership may elect not to have the business interest limitation apply and instead to forego accelerated depreciation. Potential investors are advised to consult with their own tax advisers with respect to the application of the investment interest and business interest limitations in their particular circumstances.

Allocation of Taxable Income and Losses. The IRS may challenge the Partnership’s allocations of taxable income and losses and assert that Limited Partners in the Partnership should be allocated a different share of the taxable income and losses. This might alter the tax treatment afforded to Limited Partners. If the IRS audits the Partnership, the IRS may seek to allocate such taxable income and losses for tax purposes in a manner less favorable to the Limited Partners than that claimed by the Partnership.

The foregoing is based on existing Federal income

tax law and interpretations thereof by the Treasury Department and IRS, including the regulations under Section 704(b) of the Code. These regulations pertain to the determination of a Limited Partner’s distributive share of income, gain, loss, deduction or credit (or an item thereof). Changes in the regulations, or changes in the Code or in any other interpretation thereof, could adversely affect the realization of the projected benefits by a Limited Partner.

Disallowance of Deductions of Certain Fees and Expenses by the Partnership. The IRS may challenge some of the deductions the Partnership will take, including fees paid to the GP, which could be deemed de facto distributions by the Partnership to a Limited Partner or else unreasonable in amount in relation to the services rendered. Because the deductibility of a fee depends in part upon proving specific facts with respect to each fee, there can be no assurance that such a challenge would not be successful. If the IRS were to challenge the treatment of such expenses or fees, it is possible that some portion of the deductions claimed by the Partnership with respect to these expenses or fees would be eliminated or deferred, either as a result of a settlement with the IRS or as a result of litigation. Depending on the nature of such a result, there could be reduced benefits to the Limited Partners in the years in which such deductions were disallowed. In addition, it is anticipated that certain Partnership’s expenses may be investment expenses treated as miscellaneous itemized deductions. The Tax Cuts and Jobs Act disallows most itemized deductions for tax years beginning before January 1, 2026, with the result that any individual who is a Limited Partner may not be permitted to claim a US federal income tax deduction for such expenses. Currently proposed legislation would permanently disallow itemized deductions if enacted.

Gain on Disposition of a Property. For Federal income tax purposes, any gain realized on the sale of a Property or Real Estate Development would generally be treated as long-term capital

gain (assuming the appropriate holding period requirements were met) except to the extent of certain depreciation recapture.

Taxable Gain or Loss on Sale of a Limited Partner’s Interest in the Partnership. Upon the sale by a Limited Partner of all or a portion of its Interest in the Partnership, such Limited Partner will recognize gain or loss in an amount equal to the difference between (i) the consideration, if any, such Limited Partner receives upon the sale of its Interests, including such Limited Partner’s allocable share of relief from the Partnership’s debt, and (ii) such Limited Partner’s tax basis in such Interests. Except as noted below, gain or loss recognized by a Limited Partner on a sale or other taxable disposition of such Limited Partner’s Interests will generally be classified as capital gain or loss. Capital gain recognized by an individual on the sale or other taxable disposition of Interests in the Partnership held for more than one year will generally be classified as long-term capital gain, currently taxable at a maximum federal income tax rate of twenty percent (20%), plus the three and eight-tenths percent (3.80%) surtax on investment income for individuals with income above specified thresholds. However, that portion of such gain or loss attributable to a Limited Partner’s share of the Partnership’s “unrealized receivables” (including depreciation recapture) or substantially appreciated “inventory items” each as defined for purposes of the Code (the “Section 751 Assets”) will generally be classified as ordinary income or loss. Ordinary income attributable to Section 751 Assets may exceed net taxable gain realized on the sale of an Interest and may be recognized even if there is a net taxable loss realized on the sale of such interest. Thus, a Limited Partner may recognize both ordinary income and a capital loss upon a sale of an Interest. Net capital losses may offset capital gains and no more than \$3,000 of ordinary income in the case of individuals. In the case of corporations, capital losses may offset only capital gains.

Alternative Minimum Tax. An investment in the

Partnership may affect the liability of a Limited Partner for the alternative minimum tax. Prospective investors should review the effect of an investment in the Partnership on their liability for the alternative minimum tax with their own tax advisors. Under proposed Treasury Regulations, corporate taxpayers that are subject to the corporate alternative minimum tax may require additional information from partnerships in which they invest, such as the Partnership. Limited Partners should be aware that the Partnership may not be able to provide information in the format requested and that any additional costs to providing such information may be specially allocated to the requesting Limited Partner(s).

Interest and Penalties on Understatement of Tax Liability. The Code provides that the interest rate on a taxpayer's underpayment of tax liability (other than a "large corporate underpayment") under Section 6621 of the Code is based upon the Federal short-term rate plus three percentage points, and that such interest rates will be adjusted quarterly, with the rate determined during the first month of the calendar quarter, effective for the following calendar quarter. Additional penalties may be applicable in the case of the underpayment of a taxpayer's tax liability due to negligence, the intentional disregard of rules or regulations or when there is a substantial understatement of income tax liability or a substantial valuation misstatement.

Such additional penalties are in addition to any other penalties and any interest payable with respect to the underpayment. A challenge of any of the Partnership's tax positions, possibly arising from one or more of the tax risks described above, could further result in Limited Partners being subject to these interest and penalty provisions.

Changes in Law. Legislation that is currently proposed (or other legislation), if enacted, may adversely affect the tax treatment of a Limited Partner.

VI. REGULATORY RISKS

No Registration Under Investment Company Act. The Partnership will not register under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The Partnership is a real estate limited partnership and not a "private fund" as that term is defined in the Investment Company Act. The Partnership conducts its activities so as not to be subject to the restrictions to which a registered investment company under the Investment Company Act would be subject and differs significantly in many respects from a registered investment company. Limited Partners do not have the benefits and protections arising out of the registration under the Investment Company Act. However, if the Partnership was to become subject to the Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the Investment Company Act and the substantial costs and burdens of compliance therewith could adversely affect the operating results and financial performance of the Partnership. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity.

No Registration Under Investment Advisers Act. Neither Thompson Thrift nor the GP is registered with the U.S. Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940, as amended.

No Registration Under Federal or State Securities Laws. The Partnership's Interests are not registered under the Securities Act, or under any state "Blue Sky" laws. Accordingly, the Interests may only be offered or sold in a private placement transaction that does not violate applicable U.S. federal or state securities laws. Only "accredited investors" (as defined in Regulation D under the Securities Act) will be permitted to invest in the Partnership.

VII. BENEFIT PLAN INVESTOR CONSIDERATIONS

The following is a summary of some non-tax considerations associated with an investment in the Partnership by an employee benefit plan that is subject to Part 4 of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") (such employee benefit plan, an "ERISA Plan Investor") as well as non-ERISA plans that are subject to the prohibited transaction rules of Section 4975 of the Code, such as IRAs, Keogh plans for self-employed individuals, health savings accounts, and Archer medical savings accounts (the preceding benefit plans are referred to collectively as "Plan Investors"). Plan Investors and entities whose underlying assets are treated as "plan assets" (as described below) by reason of investment therein by Plan Investors are referred to collectively as "Benefit Plan Investors". The Partnership may accept investments from Benefit Plan Investors. This summary is based on provisions of ERISA, and the Code, including amendments thereto, through the date of this prospectus, and relevant regulations, rulings, and opinions issued by the Department of Labor (the "DOL") and the Internal Revenue Service through the date of this prospectus. We cannot assure you that there will not be adverse court decisions or legislative, regulatory or administrative changes that would significantly modify the statements expressed herein. Any such changes may or may not apply to transactions entered into prior to the date of their enactment.

ERISA Plans are generally subject to the fiduciary responsibility provisions of part 4 of Title I of ERISA. Those provisions impose standards of conduct on fiduciaries of ERISA Plans ("ERISA Plan Fiduciaries") and rules regarding the management and disposition of plan assets. Those rules and requirements include, among other requirements, that ERISA Plan Fiduciaries discharge their duties to the plan prudently and exclusively for the benefit of plan participants and beneficiaries, and that ERISA Plan Fiduciaries refrain from engaging in or

causing the plan to engage in certain prohibited transactions. Benefit Plan Investors that are not ERISA Plans are subject to parallel prohibited transaction rules under the Code.

General Fiduciary Considerations. ERISA and the Code provide generally that a person is a “fiduciary” to the extent that he or she has or exercises discretionary authority, responsibility, or control over the management or administration of a plan, exercises any authority or control with respect to the management or disposition of the plan assets, or renders, or has authority or responsibility to render, investment advice to the plan for a fee or other compensation, direct or indirect. Persons who are fiduciaries with respect to Benefit Plan Investors, including those who exercise, or have the authority to exercise, any discretionary authority or discretionary control respecting management of such entities, or who exercise any authority or control respecting management or disposition of such entity’s assets, and/or who monitor such activities (“Investing Fiduciaries”), should consider, among other things, the matters described below before determining whether to invest in the Partnership.

Before authorizing an investment in the Partnership, ERISA Plan Fiduciaries should consider (i) the fiduciary standards under ERISA, (ii) whether the investment in the Partnership satisfies the prudence and diversification requirements of ERISA, including whether the investment is prudent in light of limitations on the marketability of interests in the Partnership, and (iii) whether such fiduciaries have authority to make the investment under the appropriate plan investment policies or governing instruments and under Title I of ERISA, taking into account the nature and the structure of the Partnership, the fact that there is not expected to be a market created in which to dispose of Interests, and the fees payable.

The prudence, diversification, and other fiduciary responsibility requirements of Section 404(a)

of ERISA apply to the decision by an ERISA Plan Fiduciary on behalf of an ERISA Plan to invest in the Partnership. Among other things, Section 404(a) of ERISA provides that an ERISA Plan Fiduciary must discharge his, her, or its duties with respect to a plan solely in the interest of participants and beneficiaries and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. In addition, an ERISA Plan Fiduciary must diversify the investment of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

In determining whether a particular investment is appropriate for an ERISA Plan, DOL regulations provide that an ERISA Plan Fiduciary must give appropriate consideration to, among other things, the role that the investment plays in the ERISA Plan’s portfolio, taking into consideration whether the investment is designed reasonably to further the ERISA Plan’s purposes, the risk and return factors of the potential investment, the portfolio’s composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the ERISA Plan and the projected return of the total portfolio relative to the ERISA Plan’s funding objectives. The ERISA Plan Fiduciary should also consider (i) the limitations on the rights of Limited Partners to withdraw from the Partnership or to transfer their Interests, (ii) the fact that the Limited Partners may consist of a diverse group of investors (possibly including taxable and tax-exempt entities) and that the General Partner necessarily will not take the investment objectives of any particular Limited Partner that are not consistent with those of the Partnership into account in managing Partnership investments and (iii) the implications arising from whether or not the assets of the Partnership are treated as “plan assets” for purposes of ERISA and Section 4975 of the Code as discussed below.

Before investing the assets of an ERISA Plan in the Partnership, an ERISA Plan fiduciary should determine whether such an investment is consistent with its fiduciary responsibilities and the foregoing regulations. For example, an ERISA Plan Fiduciary should consider whether an investment in the Partnership may be too illiquid or too speculative for a particular ERISA Plan and whether the assets of the ERISA Plan would be sufficiently diversified. If an ERISA Plan Fiduciary with respect to any such ERISA Plan breaches its responsibilities with regard to selecting an investment or an investment course of action for such ERISA Plan, the fiduciary may be held personally liable for losses incurred by the ERISA Plan as a result of such breach.

NEITHER THE GENERAL PARTNER NOR THE PARTNERSHIP IS RESPONSIBLE FOR DETERMINING, AND NEITHER OF THEM MAKES ANY REPRESENTATION REGARDING, WHETHER A PURCHASE OF INTERESTS IS A PRUDENT OR SUITABLE INVESTMENT FOR ANY ERISA PLAN.

Fiduciaries of a Benefit Plan Investor (including an ERISA Plan Investor), should also consider (i) prohibitions in ERISA and in the Code relating to a Benefit Plan Investor engaging in certain transactions involving “plan assets” with persons who are “parties in interest” under ERISA or “disqualified persons” under the Code with respect to such plan, and (ii) other provisions in ERISA and the Code pertaining to fiduciary self-dealing or conflicts of interest involving, or receipt of compensation by a fiduciary in connection with, “plan assets.”

The Partnership may also accept investments by other employee benefit plans such as governmental plans, foreign plans and certain church plans that are not considered Benefit Plan Investors but may be subject to state, local, other federal or non-U.S. laws and regulations similar to the fiduciary responsibility provisions of ERISA and the prohibited transactions provisions in ERISA and the Code (“Similar Laws”). This summary does not include a discussion of any

such Similar Laws. Fiduciaries or other persons acting for these plans in connection with an investment in the Partnership are required to make certain representations regarding compliance with such Similar Laws as a condition to subscribing for Interests, and should consult their own professional advisors about these matters.

Plan Assets. ERISA and applicable DOL regulations describe when the underlying assets of an entity in which Benefit Plan Investors invest are treated as “plan assets” for purposes of ERISA and Section 4975 of the Code. Under ERISA and the Code, as a general rule, when a Benefit Plan Investor invests assets in another entity, such plan’s assets include its investment, but do not, solely by reason of such investment, include any of the underlying assets of the entity. However, when a Benefit Plan Investor acquires an “equity interest” in an entity that is neither: (a) a “publicly offered security;” nor (b) a security issued by an investment company registered under the 1940 Act, then the plan’s assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that:

- (i) the entity is an “operating company (as described below);” or
- (ii) the equity participation in the entity by Benefit Plan Investors is not significant under the 25% test described below.

Under ERISA and the Code, the assets of an entity will not be treated as “plan assets” if Benefit Plan Investors hold less than 25% of the value of each class of equity interests in the entity. Equity interests held by a person (other than a Benefit Plan Investor) with discretionary authority or control with respect to the assets of the entity or who provides investment advice for a fee (direct or indirect) with respect to such assets or any affiliate of any such person are not considered for purposes of calculating the 25% threshold. The Benefit Plan Investor percentage of ownership test applies at the

time of an acquisition by any person of the equity interests. In addition, an advisory opinion of the DOL takes the position that a redemption of an equity interest by an investor constitutes the acquisition of an equity interest by the remaining investors (through an increase in their percentage ownership of the remaining equity interests), thus triggering an application of the Benefit Plan Investor percentage of ownership test at the time of the redemption.

Limitation on Investments by Benefit Plan

Investors. The General Partner may monitor the investments in the Partnership to ensure that the aggregate investment by Benefit Plan Investors does not equal or exceed twenty-five percent (25%) of the value of any class of equity interests in the Partnership so as to avoid treatment of the Partnership’s assets as “plan assets” under ERISA and the Code. Because the 25% test is ongoing, the General Partner not only may restrict initial or additional investments by Benefit Plan Investors but may, in its discretion, require the withdrawal of some or all of the Partnership’s Benefit Plan Investors to the extent necessary to ensure that investments in the Partnership by Benefit Plan Investors is not “significant”.

Operating Companies. An “operating company” includes a real estate operating company. Qualifying as a “real estate operating company” generally means (i) investing at least 50% of an entity’s assets in real estate which is managed or developed, and with respect to which the entity has the right to substantially participate directly in the management or development activities, and (ii) engaging directly in real estate management or development activities in the ordinary course of its business.

If Benefit Plan Investor participation in the Partnership is “significant”, the General Partner will use its reasonable efforts to structure investments so that the Partnership will be a “real estate operating company” within the meaning of the DOL regulations. Establishing or maintaining such qualification could limit or preclude certain

investments by the Partnership, and may require the General Partner to liquidate the Partnership investments at a disadvantageous time, resulting in lower proceeds to the Partnership than might have been the case without the need for such compliance.

Furthermore, while the General Partner will endeavor to operate the Partnership as a “real estate operating company”, there can be no assurance that it will succeed in so qualifying.

Certain Considerations if Partnership Assets are “Plan Assets”.

Should the Partnership fail to qualify as an operating company and if investments by Benefit Plan Investors in the Partnership are “significant” under the 25% test described above, the General Partner and any other person exercising discretionary authority over the Partnership assets would each be a “fiduciary” (as defined in ERISA and the Code) with respect to each such Benefit Plan Investor, and would be subject to the obligations and liabilities imposed on fiduciaries by ERISA and/or the Code. In addition, if the Benefit Plan Investors include ERISA Plans, the prudence standards and other provisions of Title I of ERISA that are applicable to ERISA Plans and their fiduciaries, as described above, would extend to Investments made by the Partnership and, in that case, ERISA Plan Fiduciaries who make the decision to invest the ERISA Plan’s assets in the Partnership could, under certain circumstances, be liable as co-fiduciaries for actions taken by the Partnership or the General Partner.

In addition, the Partnership would be subject to rules restricting transactions with “parties in interest” and “disqualified persons” and prohibiting transactions involving conflicts of interest on the part of fiduciaries which might result in a violation of ERISA and the Code unless the General Partner obtained appropriate exemptions from the DOL allowing the Partnership to conduct its operations as described herein. If the General Partner, with the advice of counsel, reasonably concludes that

the assets of the Partnership are, or are likely to become, “plan assets” for purposes of ERISA or Section 4975 of the Code, and that continued operation of the Partnership under arrangements existing at the time would violate ERISA or the Code or would cause any Limited Partner to be deemed to be a party to any transaction that violates the prohibited transaction restrictions of ERISA or Section 4975 of the Code for any reason other than as a result of an action taken exclusively by the Limited Partner, the General Partner intends to take such steps as are necessary or appropriate to avoid such result, including proposing amendments to the Partnership Agreement to ensure compliance with ERISA and Section 4975 of the Code, as applicable.

Any fiduciary of a Benefit Plan Investor should consult its legal adviser concerning the ERISA, Code and other legal considerations discussed above before making an investment in the Partnership.

VIII. RISKS RELATING TO FORECASTS

Financial forecasts, budgets, pro formas, models, and projections of returns (the “Forecasts”) provided by Thompson Thrift about the Partnership or the Properties and Real Estate Developments to potential investors are based in part, on assumptions concerning facts and events over which the Partnership and the GP will have no control, and which could, if they change, produce results significantly different from those set forth in the Forecasts. Such assumed facts and events on which the Forecasts are based include, without limitation, the admission of the Limited Partners to the Partnership and the acquisition of the Properties; the continuation of certain provisions of the Federal income tax laws; that certain assumptions upon which the Forecasts are based (e.g., the useful lives attributed to certain components of the Properties for depreciation purposes and the deduction of various fees) will be recognized for Federal income tax purposes; high rates of occupancy of the Properties (which may be adversely affected by various local factors, including an increase in unemployment,

overbuilding and other local conditions); and fixed annual percentage increases of both operating expenses; estimated rents (which are subject to various contingencies and depend, in part, upon the management capabilities of the GP and its Affiliates) and achieving the target price upon the sale of a Property. PAST PERFORMANCE OF THOMPSON THRIFT AND ITS AFFILIATES IS NO GUARANTEE OF THE PARTNERSHIP’S FUTURE PERFORMANCE.

FORECASTS PROVIDED BY THOMPSON THRIFT FOR REVIEW BY POTENTIAL INVESTORS HAVE ONLY BEEN COMPILED, MEANING THAT NO PARTY HAS EXAMINED THE ASSUMPTIONS UPON WHICH THE FORECASTS WERE BASED NOR PASSED UPON THE REASONABLENESS THEREOF.

ANY FORECASTS ARE BASED ON ASSUMPTIONS AS TO FUTURE EVENTS AS WELL, WHICH ARE SUBJECT TO CHANGE. FORECASTS SHOULD MERELY BE VIEWED AS AN ORDERLY REPRESENTATION OF THE RESULTS THAT MIGHT BE ACHIEVED SHOULD ALL OF THE ASSUMPTIONS BE REALIZED. NO ASSURANCES CAN BE GIVEN AS TO THE PROBABILITY OR THAT THE FORECASTED RESULTS WILL BE ACHIEVED.

Forecasts have been based on estimates and assumptions that represent the best estimates by Thompson Thrift as to what the actual experiences of the Partnership may be. In certain circumstances, however, some of the assumptions may be arbitrarily chosen for the purposes of the Forecast because of the impossibility of making meaningfully precise predictive assumptions or because of the possibility of offsetting changes in assumed facts. Moreover, changes in assumptions, estimates and forecasts, including interest and rents, could vary actual operating results from those that have been forecasted.



[THOMPSONTHRIFT.COM](https://www.thompsonthrift.com)

Indianapolis

111 Monument Circle,
Suite 1500
Indianapolis, IN 46204
800-687-0012

Terre Haute

901 Wabash Avenue,
Suite 300
Terre Haute, IN 47807
812-235-5959

Phoenix

2398 E Camelback Road,
Suite 210
Phoenix, AZ 85016
602-313-8631

Houston

20333 State Highway 249,
Suite 200
Houston, TX 77070
281-971-4016

Denver

12000 N Pecos Street,
Suite 350
Westminster, CO 80234
303-276-6307