

HERITAGE ON HOVER
LONGMONT, COLORADO

ThompsonThrift.com

THOMPSON THRIFT

2027 Multifamily Development, LP

SECOND AMENDED AND RESTATED CONFIDENTIAL OFFERING MEMORANDUM

OCTOBER 2026

CONFIDENTIAL AND PROPRIETARY

THOMPSON THRIFT
A REAL ESTATE COMPANY

THOMPSON THRIFT
A REAL ESTATE COMPANY

ThompsonThrift.com

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Participate in a Diversified Multifamily Development Portfolio with an Experienced Developer.
2026 NMHC 50
TOP DEVELOPER
#15 APARTMENT DEVELOPER
2026 NMHC 50
TOP BUILDER
#17 CONSTRUCTION COMPANY



THE PULLMAN
UNION CITY, GEORGIA

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Partnership Overview

Disclaimer

INFORMATION CONTAINED IN THIS AMENDED AND RESTATED CONFIDENTIAL OFFERING MEMORANDUM FOR THE THOMPSON THRIFT 2027 MULTIFAMILY DEVELOPMENT, LP IS SUBJECT TO CORRECTION, COMPLETION AND REVISION (INCLUDING CHANGES TO THE MATERIAL TERMS). NO PERSON NAMED OR REFERRED TO HEREIN GIVES ANY REPRESENTATION, WARRANTY, INDEMNITY OR UNDERTAKING, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF THIS DOCUMENT OR OTHERWISE HAS OR ACCEPTS RESPONSIBILITY FOR THE INFORMATION, STATEMENTS AND OPINIONS GIVEN, MADE OR EXPRESSED HEREIN OR FOR ANY OMISSIONS HEREFROM OR SHALL BE LIABLE FOR ANY LOSS OR DAMAGE OF WHATSOEVER NATURE AND HOWSOEVER ARISING RELATING TO OR IN ANY WAY ARISING OUT OF THIS MEMORANDUM OR IN CONSEQUENCE OF ANY RELIANCE PLACED ON THIS DOCUMENT.

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 DEVELOPMENT IS SPECULATIVE AND ILLIQUID AND CARRIES 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.

PROPERTIES SHOWN THROUGHOUT THIS CONFIDENTIAL OFFERING MEMORANDUM ARE NOT OWNED BY THE PARTNERSHIP AND ARE NOT PART OF THIS OFFERING, EXCEPT FOR PROPERTIES SPECIFICALLY IDENTIFIED FOR DEVELOPMENT BY THE PARTNERSHIP.



SWITCH
COLORADO SPRINGS, COLORADO

Real Estate Opportunity

Thompson Thrift is pleased to offer the opportunity to participate in the Thompson Thrift 2027 Multifamily Development, LP, a Delaware limited partnership (the “Partnership”), which will acquire and underwrite multiple apartment developments that are projected to start construction beginning on or after January 2027. This multi-project Partnership offers a unique opportunity to invest in a geographically diverse portfolio of multifamily developments, with Thompson Thrift as developer and manager, across multiple dynamic growth markets.

We are currently seeking approximately $200 to $230 million in aggregate capital commitments for limited partnership interests in the Partnership.

For the past 40 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 this opportunity to participate in our real estate development projects.

Paul Thrift, CEO



A Real Estate Opportunity Backed By Experience

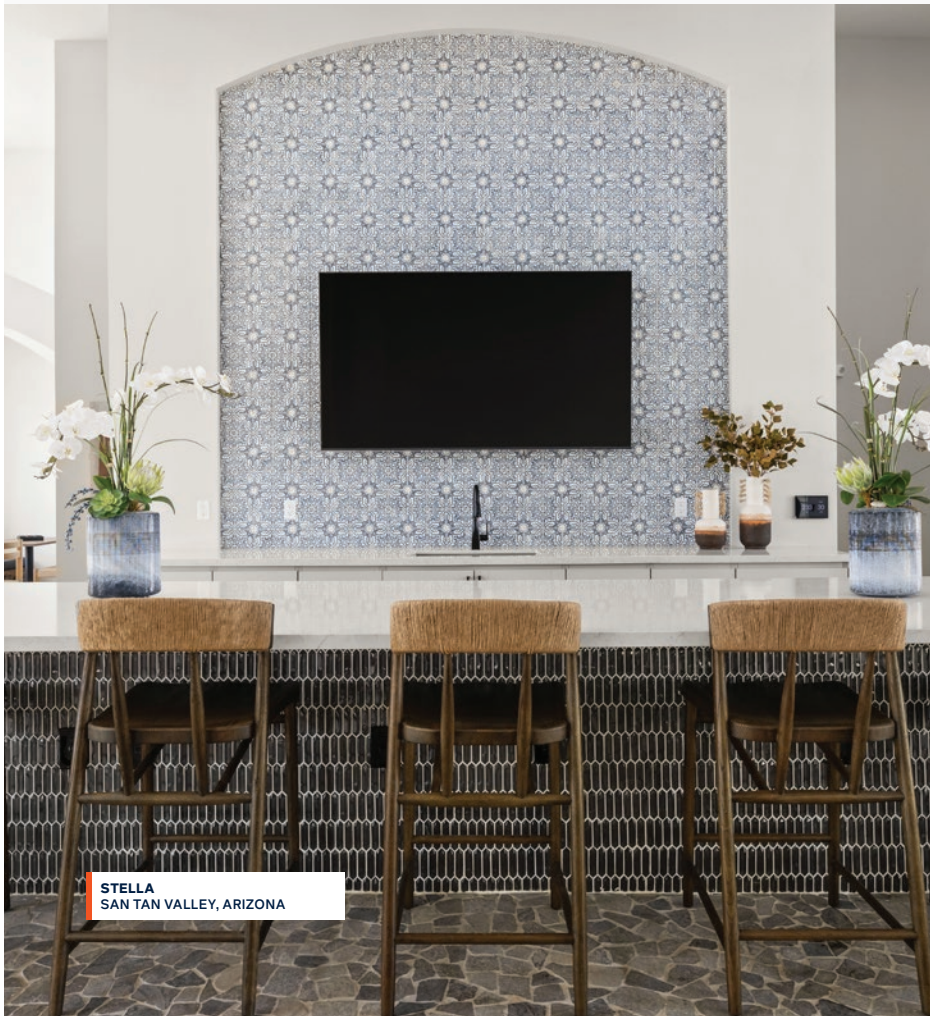
Accredited investors can participate in a private real estate partnership funding multiple Thompson Thrift multifamily development projects across suburban growth markets. Construction is expected to begin on or after January 2027.

KEY HIGHLIGHTS:

- **Experienced partner with a 40-year track record of successful real estate development and delivering strong results.**
- **Diversified portfolio across markets and projects.**
- **Seasoned management team with a disciplined, repeatable development strategy.**
- **Identified pipeline of upcoming multifamily opportunities.**
- **Avoid typical duplicative fee and promote PE Fund model through direct partnership with developer/ manager.**
- **Exposure to tangible assets with less pricing volatility.**
- **Capital appreciation strategy focused on value creation through ground-up development.**

Hear from Paul Thrift, CEO, on Thompson Thrift's perspective on the emerging multifamily cycle and the opportunity it may create for disciplined development.

Scan or Click Here to Watch the Video



STELLA
SAN TAN VALLEY, ARIZONA

The Next Multifamily Cycle Is Beginning

After a 12-year multifamily bull run and a four-year market correction, improving fundamentals signal that the next cycle is taking root.

12-Year Expansion › 4-Year Correction › 2026 Inflection › New Cycle Taking Shape

2010-2022

A 12-Year Expansion

Multifamily benefited from a prolonged period of demand growth, rising rents and sustained investment.

2022-2025

A 4-Year Market Correction

The market absorbed record supply generated by elevated starts in 2021 and 2022. Demand reached record levels through the first half of 2025, but weaker second-half performance delayed the anticipated recovery.

2026

A Credible Inflection Point

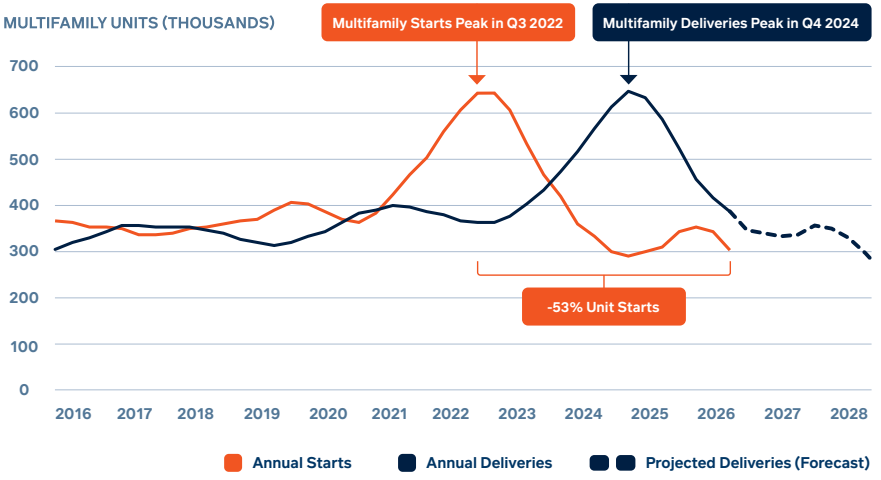
Demand, occupancy and rent growth have improved meaningfully in 2026. Upgraded rent-growth projections provide further evidence that the recovery is taking root.

NEXT 3 YEARS

New Cycle Taking Shape

New multifamily starts have declined for four consecutive years, signaling materially lower deliveries ahead. Meanwhile, renter demand should remain durable as households are renting for longer amid limited for-sale affordability and lifestyle preferences.

Significant Multifamily Supply Contraction Coming



2027–BEYOND

Favorable Development & Investment Environment

Together, these are expected to lead to a recovery in property values.

- Moderating supply for 3+ years
- Durable renter demand
- Unaffordability of home buying
- Lifestyle preferences
- Delayed life milestones for young Americans
- Recovering fundamentals and rent growth
- Reduced construction costs
- Increasing buyer investment activity

53% ▼	95%	June 2026	14% ▼
Multifamily Starts From 2022 Peak	Stabilized Occupancy as of June 2026	Effective Rent Growth Turned Positive	Construction Hard Costs Decline Since 2023

SOURCES: Thompson Thrift, RealPage data as of Q2 2026

Scan or Click Here to View Thompson Thrift Market Insights

Identified Properties

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



Scan or Click Here to Watch the Development Highlight Video



1 Lakewood, Colorado
DENVER MSA

322 Units
Targeted Start: Q1 2027



2 Sparks, Nevada
RENO MSA

336 Units
Targeted Start: Q2 2027



3 Lexington, Kentucky
LEXINGTON MSA

288 Units
Targeted Start: Q2 2027



4 Commerce City, Colorado
DENVER MSA

284 Units
Targeted Start: Q2 2027



5 Bozeman, Montana
BOZEMAN MSA

312 Units
Targeted Start: Q3 2027



6 Surprise, Arizona
PHOENIX MSA

312 Units
Targeted Start: Q3 2027

Properties are numbered in order of their targeted start dates. 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 attached hereto as Exhibit A. Identified Properties and/or any additional or replacement Property will be expected to satisfy the Property Evaluation Criteria set forth in the Valuation Policy at the time capital is called by the Partnership to acquire the Property. All property renderings are conceptual and subject to change.

Executive Summary

This Executive Summary outlines various features of the Partnership, certain provisions of the Partnership's Amended and Restated Limited Partnership Agreement, as further amended and restated in the future (the "Partnership Agreement"), 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. Capitalized terms used herein but not defined shall have their respective meanings set forth in the Partnership Agreement.

The Partnership ..... Thompson Thrift 2027 Multifamily Development, LP, a Delaware limited partnership (the "Partnership").

General Partner ..... Thompson Thrift 2027 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 seeks to create capital appreciation by developing, operating, and ultimately selling an institutional-quality, geographically diverse and prudently leveraged portfolio of brand new multifamily real estate development projects (each a "Property") in high growth primary and secondary markets at entry points that could deliver attractive risk adjusted returns.** 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 will depend 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 expects to underwrite and develop approximately six (6) Properties into multifamily developments (each a "Real Estate Development") subject to a limit not to exceed twelve (12) Real Estate Developments 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 of each property, 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 60-70% 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 will 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), subject to the Debt Limit. 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 currently has secured an umbrella credit facility (the "Credit Facility") available to 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 Risk - Risks Related to the Partnership - Subscription Line of Credit; Partnership-Level Borrowing.***
Target Partnership Size	The Partnership is seeking approximately $200 to $230 million in total capital commitments ("Capital Commitments"), consisting of the GP Commitment (described below), plus 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, at a minimum, expect to commit approximately $10,000,000 or 5% of the aggregate Capital Commitments, 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, as well as 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, 2027 (the "Initial Closing Date"), and it could continue to accept additional Capital Commitments through the sixth-month anniversary of the Initial Closing Date; provided, that the General Partner may extend such period by an additional six (6) months (the "Final Closing"). The "Final Closing Date" will be the date of the Final Closing as determined by the General Partner.
Commitment Period	The Partnership will call capital to acquire and develop the target 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 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 Capital 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 Property or subsequent 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 to the extent possible. The GP has broad authority to determine the timing and amounts of Capital Calls. The GP could 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 drawdown under the Credit Facility, 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, at its own expense, to the extent required by a lender to the Partnership or any Property Holdco, without seeking reimbursement or charging any fee to the Partnership for providing the 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 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 a Property's development entity), 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 reimbursement of expenses from the Partnership, and/or an Interest in the Partnership 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 Property and increase their percentages in the remaining Properties (vis a vis their Capital Contributions).

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% per annum, 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. Thereafter, the Partnership expects to pay (or reimburse) the GP or Thompson Thrift for 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 brokers and investment advisers that provide distribution or administrative services, and it may aggregate assets of Limited Partners referred by brokers and investment advisers for purposes of calculating the Base Rate.

Distributions ..... Net 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 Distribution 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; (d) approving the designation of any replacement Key Person (described below), and (e) 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 GP will be permitted (but not required) to contribute its GP Interest Distribution received with respect to any Real Estate Development transferred to a Transfer Holdco, in part or in its entirety, in exchange for an interest in the Transfer Holdco. Thompson Thrift anticipates that it will contribute at least 10% of the total equity in the Transfer Holdco. Any Transfer Holdco can be 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 joint ventures and, in the future, could sponsor a real estate income vehicle that would earn income from real estate developments. 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 ***Factoring the Risk*** in this Memorandum, including 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 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	$375,528,628
Construction Loan Aggregate Percentage	67.50%
Property Equity Aggregate Total	$180,810,080
Property Equity Aggregate Percentage	32.50%
Property Budget Aggregate Total	**$556,338,708**
Estimated Organizational Expenses	$924,000
Aggregate Estimated Partnership Expenses (Years 1 & 2)	$100,000
Aggregate Asset Management Fee (Years 1 & 2)	$2,954,626
Partnership Gross Budget	**$560,317,334**

ANTICIPATED PARTNERSHIP EQUITY	
Aggregate Property Equity	$180,810,080
Estimated Organizational Expenses	$924,000
Aggregate Estimated Partnership Expenses (Years 1 & 2)	$100,000
Aggregate Asset Management Fee (Years 1 & 2)	$2,954,626
Limited Partner Equity	**$184,788,706**
Minimum Limited Partner Commitment ("Interest")	$500,000

ESTIMATED EQUITY CAPITAL CONTRIBUTION SCHEDULE

Identified Properties	Estimated Capital Call Date	% of Total Capital Contribution
Lakewood, CO*	Q1 2027	19.88%
Sparks, NV	Q2 2027	18.66%
Lexington, KY	Q2 2027	11.32%
Commerce City, CO	Q2 2027	14.24%
Bozeman, MT	Q3 2027	18.91%
Surprise, AZ**	Q3 2027	16.99%
	Totals	**100.00%**

*Estimated Capital Contribution includes Organizational Expenses.

**Estimated Capital Contribution includes Partnership Expenses (including development costs and Asset Management Fees).

Properties are underwritten to include estimated Partnership Expenses (including development costs, Asset Management Fees and placement agent fees) that will be allocated to Limited Partners' capital accounts.

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
Lakewood, CO*	Q1 2027	$36,730,605	$7,536,765	6.84%	5.38%	1.47%	$140,218,876	$65,690,931	38	Q2 2030
Sparks, NV	Q2 2027	$34,483,792	$7,712,127	7.27%	5.64%	1.63%	$136,861,173	$65,577,240	37	Q2 2030
Lexington, KY	Q2 2027	$20,924,187	$4,785,235	7.43%	5.98%	1.46%	$80,087,618	$37,351,095	36	Q2 2030
Commerce City, CO	Q2 2027	$26,307,931	$5,555,311	6.86%	5.55%	1.31%	$100,095,687	$46,191,361	34	Q1 2030
Bozeman, MT	Q3 2027	$34,945,499	$7,821,586	7.27%	5.70%	1.58%	$137,341,285	$65,752,280	36	Q3 2030
Surprise, AZ**	Q3 2027	$31,396,692	$6,238,726	7.15%	5.43%	1.73%	$114,999,561	$55,873,798	36	Q3 2030
Totals/Averages		**$184,788,706**	**$6,608,292**	**7.14%**	**5.61%**	**1.53%**	**$118,267,367**	**$56,072,784**	**36**	

Notes to Estimated Partnership Budget and Property Performance Metrics

1. Capital Calls 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 2027 will include estimated Partnership Expenses for Year 1.
    - Last Capital Call notice in 2027 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, although a Capital Call can be issued at any time to pay Partnership Expenses.
2. Capital Contributions will be based on capital required at the time of closing for each Real Estate Development and to pay Partnership Expenses.
3. Estimate assumes sale or transfer of all equity and debt interests in a Real Estate Development 36 months on average from construction closing for all Real Estate Developments. 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. These are estimates only, and the actual date of sale and amount of proceeds could vary significantly from these estimates. Delays incurred in selling a Real Estate Development, including costs and fees associated with refinancing any Real Estate Development, as well as decreased proceeds from any sale could result in reduced profits to Limited Partners. 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.
4. There is no guarantee that the Partnership will meet its goal of selling any Real Estate Development 36 months on average from construction closing. The General Partner could recapitalize the Partnership's entire portfolio of Real Estate Developments, and the Partnership could 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, 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 rather than increase as anticipated. See ***Factoring the Risk – Recapitalization Risk and - Refinancing Risk in a Rising Interest Rate Environment.***

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 Supplement 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, development costs, among other factors, which may differ from the performance metrics contained herein. Actual results will depend upon the terms of any refinancing, sale, disposition or transfer of a Real Estate Development and, as a result, could differ materially from estimates shown.

The GP has not independently verified the information contained in any of the third-party sources referred to in this Supplement 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 Supplement net of estimated Partnership Expenses, including Asset Management Fees, based on the GP's estimates at the time this Supplement was prepared.

Gross returns will be reduced by Asset Management Fees, the GP Interest Distribution, and Partnership Expenses, 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 and payment of Partnership Expenses (including all debt) 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 Party Services

Thompson Thrift Development, Inc., Thompson Thrift Construction, 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 and paralegals (not to exceed $600 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 a captive insurance company affiliated with Thompson Thrift;

Partnership Expenses

- Annual Asset Management Fee as described herein;
- Reasonable hourly rates for in-house legal counsel and paralegals (not to exceed $600 per hour) attributable to the Partnership;

Included in Property Operating Expenses

- Property management fee initially equal to $8,000 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 $8,000 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;
- Reasonable hourly rates for in-house legal counsel and paralegals (not to exceed $600 per hour); 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 (see 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 typically 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 and increase their percentages in other Properties (vis a vis their Capital Contributions).

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 (directly and/or indirectly through a Property HoldCo) 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 has established the Credit Facility. Any drawdown under the Credit Facility will require the Partnership to pledge Limited Partners' Capital Commitments as security for such borrowing. Limited Partners could 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. Thompson Thrift's other real estate partnerships also may participate in the Credit Facility, with costs and fees allocated among the partnerships on a basis that Thompson Thrift determines to be fair and reasonable.

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 fair 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.

Key Person ..... A "Key Person Event" shall be deemed to occur if, during the Commitment Period of the Partnership, a majority of the Key Persons (defined below) cease to devote a substantial portion of their business time and attention to the real estate business of Thompson Thrift; provided, however, that the General Partner may, at any time and from time to time, in connection with the death or disability of a Key Person, appoint a replacement Key Person with the approval of the Advisory Committee, and such appointment shall not, in and of itself, constitute a Key Person Event. Upon the occurrence of a Key Person Event, the General Partner will notify the Limited Partners of the Key Person Event and the Commitment Period will be automatically suspended. The General Partner may designate a replacement Key Person, and such designation shall become effective upon the written approval of a majority of the Advisory Committee's voting members and the suspension of the Commitment Period shall terminate. For the avoidance of doubt, approval rights of the Advisory Committee shall pertain solely to the approval of a replacement Key Person, and neither the Advisory Committee nor any Limited Partner shall have any right to approve or disapprove individual Key Persons or their activities in the ordinary course.

Key Persons initially will be John Thompson, Paul Thrift and Josh Purvis.

General Partner Removal ..... Upon the occurrence of certain events constituting "Cause" with respect to the General Partner, a Super Majority-in-Interest of the Limited Partners may vote to terminate the Partnership or remove the General Partner and appoint a successor general partner. "Cause" means a final determination by a court of competent jurisdiction that the General Partner or any Key Person (1) has been grossly negligent in the performance of its obligations under the Partnership Agreement, (2) has engaged in willful misconduct or fraud relating to the Partnership, (3) has committed a felony or crime that has a material adverse effect on the Partnership, or (4) has committed any willful breach of the Partnership Agreement; provided that, such conduct (other than fraud) has had a material and adverse effect on the Partnership.

"Cause" will not be deemed to occur if the Key Person or other person who committed the action giving rise to a Cause event ceases to be engaged in the business of the Partnership within 30 days of the determination of Cause.

Credit Facility ..... 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) has established a Credit Facility. Any drawdown by the Partnership 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 and to provide certain representations and other documentation reasonably and customarily required by the lender to maintain the Credit Facility. The GP expects that any advancement of funds under the Credit Facility 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.....Limited Partners cannot transfer their Interests except under extremely limited circumstances as outlined in the GP's Transfer Policy (see Exhibit B), such as transfers to accounts with the same beneficial owners for estate planning purposes, 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 or sell their Interests to third parties for any reason and pledging an Interest as collateral for a loan is prohibited.

Indemnification.....In 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 other third party agent or administrator, 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 Investors.....In 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 own 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. See ***Factoring the Risk*** below.

Subscription Procedures ..... Investors who desire to subscribe for an Interest in the Partnership must complete and execute the Subscription Agreement and 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 selling agent engaged by the Partnership. 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 (collectively, "Organizational Expenses"); provided, however, that the Partnership shall not bear Organizational Expenses in excess of $1.0 million (the "Organizational Expenses Cap"). The Partnership's Organizational Expenses in excess of the Organizational Expense Cap will reduce the Asset Management Fees payable by the Partnership; (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 Interest in the Limited Partner's 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 custodian-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 accountholder 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.

Potential investors should consult with a tax advisor before subscribing for an Interest in the Partnership through a self-directed IRA. 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 of which the IRA is a limited partner) is an unrelated business. Limited Partners who hold their Interests in the Partnership through IRAs will be subject to taxation on UBTI as a result of investment in the Partnership because of the Partnership's use of leverage. Please review ***Factoring the Risk - Federal Income Tax Related Risks.***

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

THOMPSON THRIFT
A REAL ESTATE COMPANY

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 with a 40-year track record, 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, vendor, and lender 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

Our leadership team drives Thompson Thrift with vision and precision.



PAUL THRIFT*
CHIEF EXECUTIVE OFFICER



DAN SINK*
PRESIDENT AND CHIEF FINANCIAL OFFICER



JR PLYLER*
CHIEF INVESTMENT OFFICER



JOSH PURVIS*
MANAGING PARTNER



BRIAN SOUTHWORTH*
PARTNER AND SENIOR VICE PRESIDENT, ACQUISITIONS



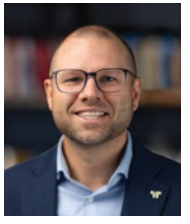
AIMEE O'CONNOR*
CHIEF OPERATING OFFICER



MATT VANCE*
CHIEF MARKET STRATEGIST AND ECONOMIST



SCOTT MURRAY
GENERAL COUNSEL



JESSE HOUGHTALEN
SENIOR VICE PRESIDENT, DEVELOPMENT— EAST



BO CHAPMAN
SENIOR VICE PRESIDENT, DEVELOPMENT—WEST



STEVE SHAVER
SENIOR VICE PRESIDENT, PRECONSTRUCTION AND DESIGN



ANGIE ATKINS
SENIOR VICE PRESIDENT, COMMUNITY MANAGEMENT



DAVE ENGLERT
SENIOR VICE PRESIDENT, INVESTMENT STRATEGY



GREG BUCKHOUT
SENIOR VICE PRESIDENT, DEBT CAPITAL MARKETS



GREG FEDORINCHIK
SENIOR VICE PRESIDENT, EQUITY CAPITAL MARKETS



CARRIE THRIFT LAFAY
VICE PRESIDENT, EQUITY CAPITAL MARKETS



TING GAN
VICE PRESIDENT, TAX

*Voting members of Investment Committee.

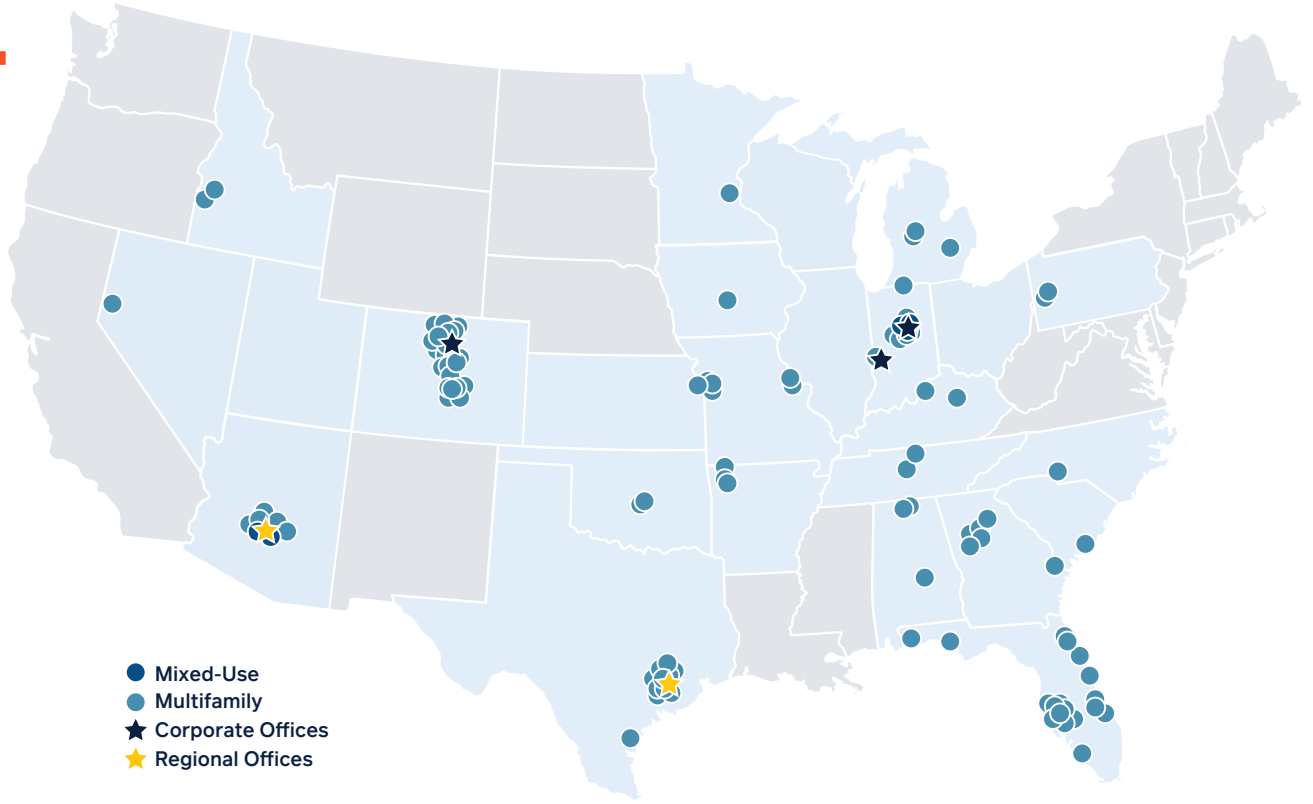
Residential Development Statistics

29,900+
Units Started Since 2010

100+
Residential Communities Developed

54
Projects Sold

8
Multi-project Limited Partnerships



$6.9B
Total Residential Development Costs

$2.2B
Equity Capital Deployed Since 2010

$4.7B
Construction Debt Obtained Since 2010

30+
Active Lender Relationships

Data as of Q3 2026. Historical data is not representative of future results.



THE JUNCTION AT ROCKLEDGE
ROCKLEDGE, FLORIDA

Development Partnerships

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

PARTNERSHIP	NUMBER OF PROPERTIES AND STATUS	EQUITY COMMITTED	LOCATION	UNITS
SINGLE ASSETS	48 PROPERTIES 39 Properties Sold 1 Property Under Construction 2 Properties in Lease-Up 6 Properties Stabilized	$575.5M	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 5 Properties Sold 2 Properties Stabilized	$148.5M	CO / FL / MI / NC	1,888
2022 LP	9 PROPERTIES 3 Properties in Lease-Up 6 Properties Stabilized Refinanced in 2025*	$253.7M	AZ / CO / FL / MI / MN / MO	2,543
2023 LP	10 PROPERTIES 10 Properties in Lease-Up Refinanced in 2026*	$380.3M	AZ / CO / FL / GA	3,031
2024 LP	8 PROPERTIES 3 Properties Under Construction 5 Properties in Lease-Up	$251.5M	AZ / CO / FL / GA / ID	2,253
2025 LP	9 PROPERTIES 9 Properties Under Construction	$255.3M	AR / AL / CO / FL / GA / IN / KS	2,826
2026 LP	8 PROPERTIES 6 Properties Under Construction 2 Properties in Development	$222.2M	GA / ID / NV / SC / TN	2,159

Data as of September 2026

*Thompson Thrift's 2022 Multifamily Development Partnership and eight of the ten Real Estate Developments in its 2023 Multifamily Development Partnership have been refinanced and continue to be held and managed in an effort to maximize potential disposition proceeds to the extent that market conditions improve.

Historical Returns

PROPERTY NAME	STRUCTURE/STATUS	EQUITY DEPLOYED	LOCATION	UNITS	LAST SALE DATE	INVESTMENT TERM (MONTHS)	NET INVESTOR IRR[1]	NET INVESTOR EQUITY MULTIPLE[1]
Multi-project Development Partnerships								
2016 LP	Structure: Project-Level (American Waterfall) **Status: Fully Realized** (All 3 Properties Sold)	$31.1M	AL / IN / CO	778	Dec-20	44[2] / 37 Per Project Avg.	25.5%	1.97
2020 LP	Structure: Fund-Level (European Waterfall) **Status: Fully Realized** (All 6 Properties Sold)	$97.9M	AL / AZ / CO / MI / MO	1,812	Oct-24	57[2] / 36 Per Project Avg.	34.6%	2.17
2021 LP	Structure: Fund-Level (European Waterfall) **Status: Partially Realized** (5 of 7 Properties Sold)	$144.8M	CO / FL / MI / NC	1,888	Feb-26	65[2] / 41 Per Project Avg. (As of June 2026)	7.0%[3] / 2.1%[4] (As of June 2026)	1.26[3] / 1.08[4] (As of June 2026)

NOTES TO RETURNS

1. The 2016 Limited Partnership utilized a project-level (American) distribution structure. The 2020 and 2021 Limited Partnerships utilized a fund-level (European) distribution structure. As a result, cumulative performance metrics may not be directly comparable across structures.
2. The Investment Term is calculated as the number 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.
3. ***The 2021 Limited Partnership is not fully realized.*** The Partnership has a fund-level distribution structure, the Equity Multiple and Net Investor IRR noted above reflect ***project-level return data***, for projects sold as of the date shown, calculated on a hypothetical basis, as if the actual net sale proceeds had been distributed to limited partners after applying its distribution waterfall on a project-level basis, instead of a fund-level basis. Final Net Investor IRR and Equity Multiple are subject to change and will be determined upon full realization using a fund-level distribution waterfall.
4. ***The 2021 Limited Partnership is not fully realized.*** The Partnership has a fund-level distribution structure, and the Equity Multiple and Net Investor IRR noted above reflect ***cumulative fund-level return data*** for realized and unrealized investments as of the date shown. ***Unrealized investments are reflected at estimated fair value (NAV) as of the date shown***. Final Net Investor IRR and Equity Multiple are subject to change and will be determined upon full realization.

Historical Returns

PROPERTY NAME	EQUITY DEPLOYED	LOCATION	UNITS	LAST SALE DATE	INVESTMENT TERM (MONTHS)	NET INVESTOR IRR	NET INVESTOR EQUITY MULTIPLE
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.M	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.M	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.M	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	7.3%	1.28
TOTAL: 34 Properties Sold	**$317.6M**		**8,889 Units**		**34 Months Avg.**	**32.1%**	**2.11**

Historical Returns

PROPERTY NAME	EQUITY DEPLOYED	LOCATION	UNITS	LAST SALE DATE	INVESTMENT TERM (MONTHS)	NET INVESTOR IRR	NET INVESTOR 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
Grandstone at Sunrise	$6.1M	Peoria, AZ	140	Apr-26	75	18.3%	2.55
TOTAL: 5 Properties Sold	**$37.3M**		**1,218 Units**		**92 Months Avg.**	**18.8%**	**3.34**

Historical Partnership Returns

41
FULLY REALIZED PARTNERSHIPS (2012-2026)

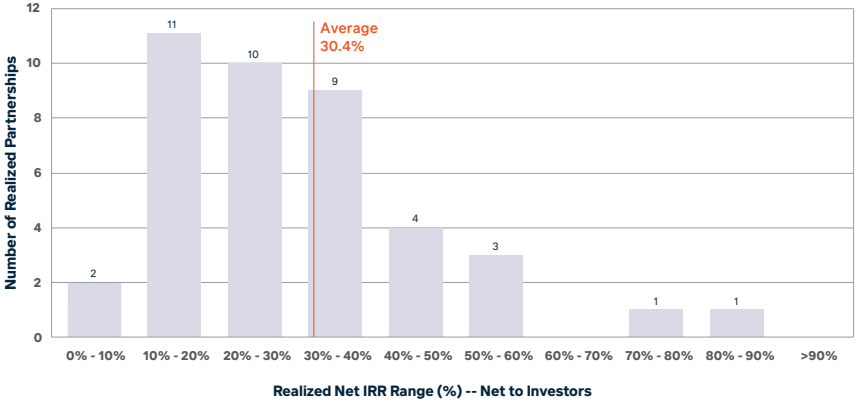
30.4%
AVERAGE NET IRR

2.26
AVERAGE NET EQUITY MULTIPLE

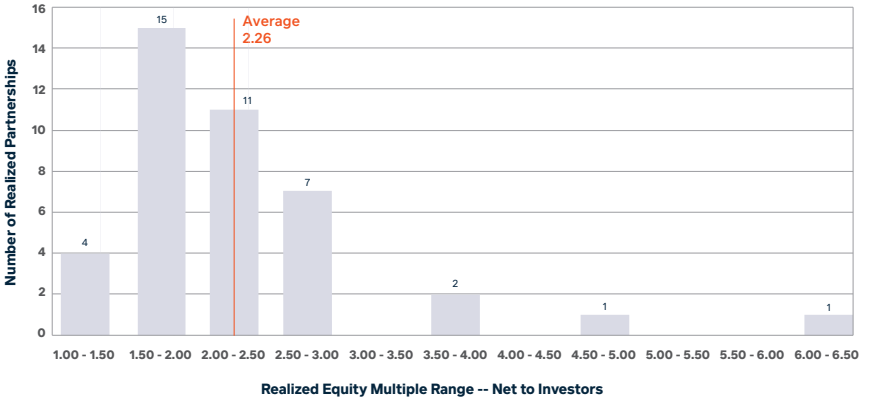
0
REALIZED CAPITAL LOSSES

Presented below is the distribution of realized outcomes across all of Thompson Thrift's fully realized multifamily development partnerships from 2012–2026, shown net to investors. The charts show the breadth and consistency of realized results across Thompson Thrift's multifamily development track record. These outcomes reflect a disciplined and repeatable execution model, data-driven market selection process, and an integrated development approach focused on value creation and capital appreciation.

Distribution of Realized Net IRRs
All 41 Fully Realized Partnerships | Net to Investors | 2012 - 2026



Distribution of Realized Equity Multiples
All 41 Fully Realized Partnerships | Net to Investors | 2012 - 2026



Note: The 41 fully realized partnerships shown represent 48 underlying project dispositions. Multi-project development partnerships are presented as a single investment for purposes of this analysis. For the 41 fully realized partnerships shown above, each returned 100% of invested capital to its partners.

Historical Returns

NOTES TO RETURNS

1. ***Historical Returns*** reflect a comprehensive list of all actual realized returns for real estate partnerships and joint ventures that own multifamily residential projects developed and sold by Thompson Thrift or its partnerships, ventures and their affiliates from October 2012 through September 2026. 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 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

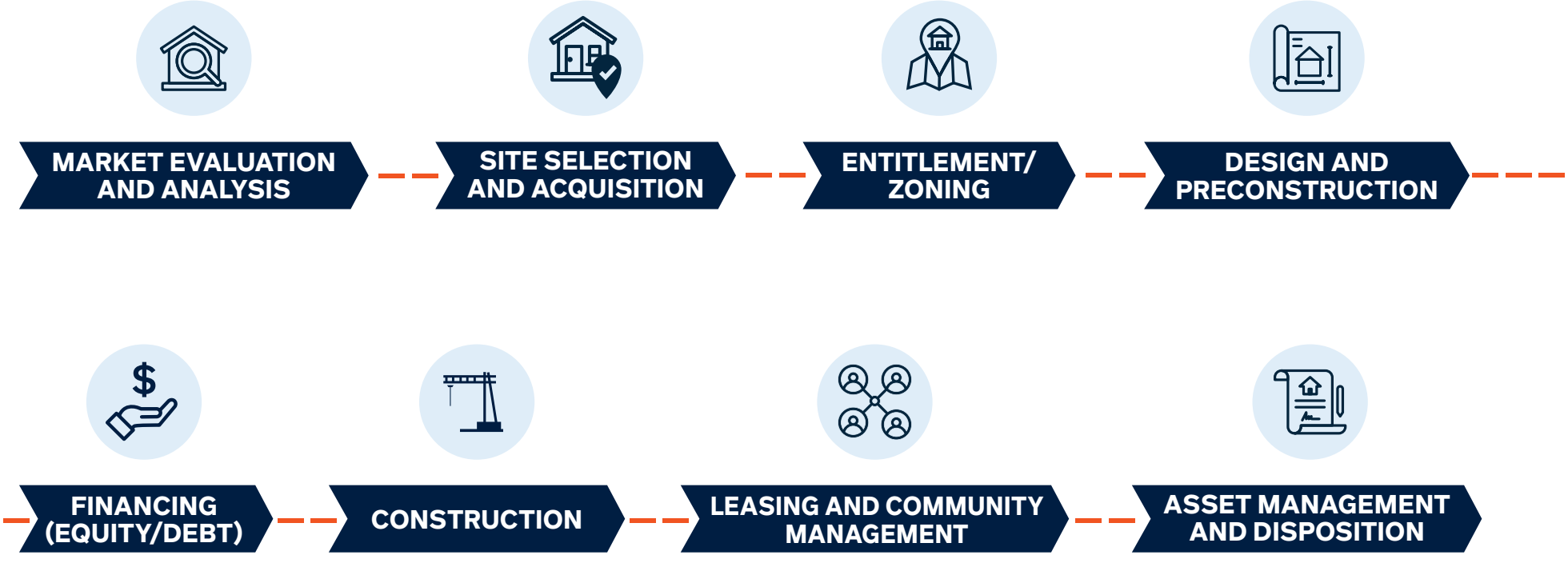


Development Strategy

Creating Value in Multifamily Development

Transforming development complexity into stabilized, Class A communities.

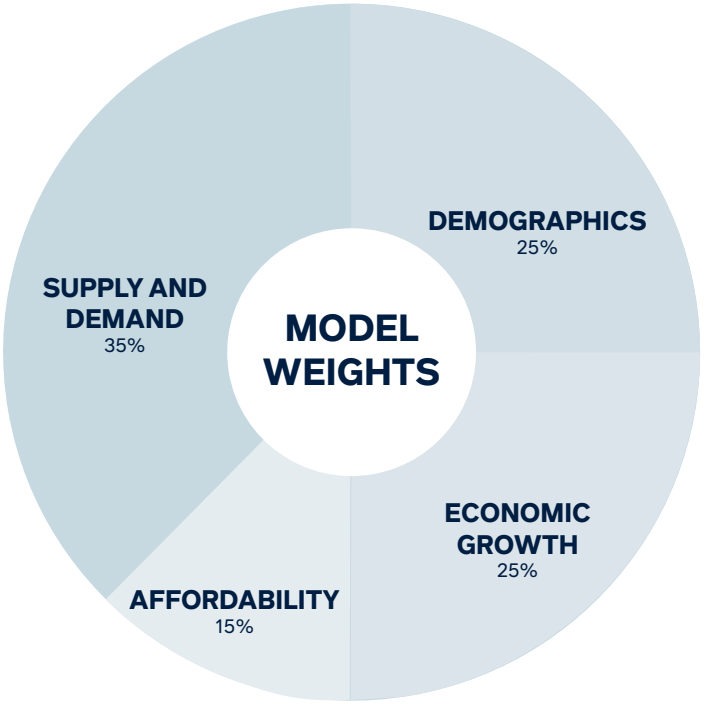
Being vertically integrated, every team member is accountable, every process is intentional, and every decision is driven by data and discipline, with seamless execution from start to finish.



Market Selection Process

Meticulous research and ongoing analysis with a dedicated market research team.

Proprietary 20-factor model ranks 200+ markets and 1,500+ submarkets.



KEY MARKET CRITERIA

DEMOGRAPHICS

Population Composition, Migration and Growth

SUPPLY AND DEMAND

Starts, Deliveries, Occupancy, and Rent Trends

ECONOMIC GROWTH

Employment, Job Growth, and Income Factors

AFFORDABILITY

Wages, Rent-to-Income, and Income Growth

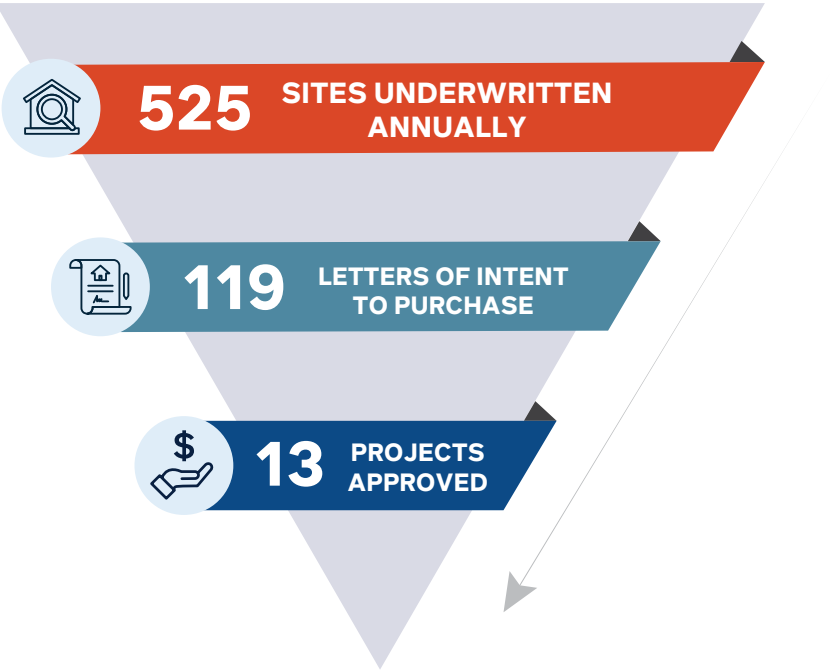
Disciplined approach with strict adherence to fundamental site criteria.

- HIGH TRAFFIC THOROUGHFARE
- CLOSE PROXIMITY TO JOBS
- HIGH-QUALITY HOUSING AND SCHOOL DISTRICTS
- CLOSE PROXIMITY TO HIGH-END RETAIL
- COMPELLING MARKET DYNAMICS

Site Selection

Dedicated acquisitions team with 18 professionals across the country.

Our nationwide network of 1,000+ brokers and in-market contacts supports the sourcing of differentiated opportunities, including off-market sites where available, while our disciplined underwriting process advances only ~2.5% of reviewed sites to approval



Thompson Thrift data representing a 12-month period (2025)

Product Types



THE BLVD AT WILSON CROSSINGS
WYOMING, MICHIGAN

SELECT

Two-story direct access apartment homes



THE GARRISON
FOUNTAIN, COLORADO

CLASSIC

Three-story garden-style apartment homes

Standardized product design that creates efficiencies and mitigates risk throughout the lifecycle of a development.

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.



THE CONCORD
SARASOTA, FLORIDA

METRO

Four-story double loaded corridor apartment homes with elevators

Development Approval Process

Rigorous decision-making process is driven by research and discipline.

Final approval requires CEO and Managing Partner site visit, market study, and personal visits to submarket comparable properties.



THE LANDING AT LEMAY
FORT COLLINS, COLORADO

MARKET ANALYSIS & SITE IDENTIFICATION

SITE INVESTIGATION & INITIAL UNDERWRITING

SECURE SITE CONTROL

INVESTMENT COMMITTEE - APPROVAL 1

SITE DUE DILIGENCE AND ENTITLEMENT

INVESTMENT COMMITTEE - APPROVAL 2

FINALIZE ENTITLEMENT, DESIGN & PRECONSTRUCTION

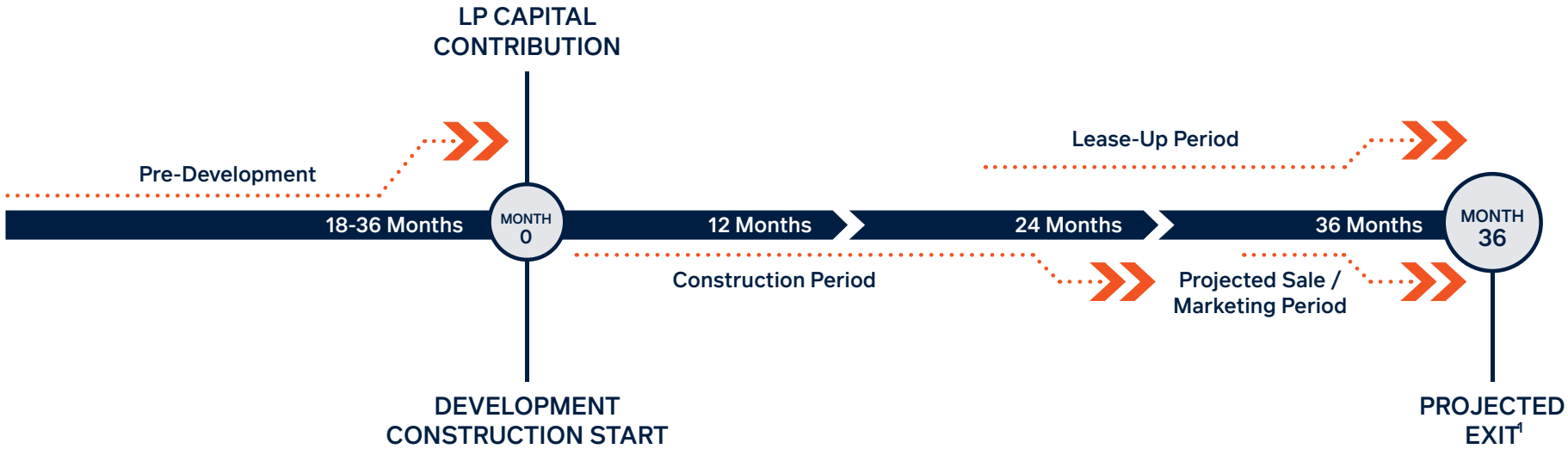
INVESTMENT COMMITTEE - APPROVAL 3

FINANCING / CONSTRUCTION START

Multifamily Development Timeline

Our typical multifamily development follows a 36-month cycle.

- Thompson Thrift is 100% at risk for all pre-development pursuit costs prior to each project's construction closing.
- Limited partner equity capital is called when we are ready to begin construction on each project.



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



THE MADDOX
BUCKEYE, ARIZONA



Identified Properties

All renderings are conceptual, and all information contained herein is subject to change. There is no guarantee that these projects will ultimately be included in the Thompson Thrift 2027 Multifamily Development, LP.



Lakewood, Colorado

DENVER MSA

PROPERTY 1

Located in the highly desirable and mature west Denver suburb of Lakewood, this property offers future residents an ideal combination of proximity to major employers, abundant retail and restaurant options, and exceptional mountain and outdoor recreation access. A true transit-oriented development, the site has easy connectivity to major thoroughfares including W Alameda Pkwy (28,900 VPD) and C-470 (87,000 VPD) which provide access to downtown Denver within 20 minutes and the foothills of the Rocky Mountains within 15 minutes. It is centrally located to many of the MSA's major employment hubs including Lucent Business Park, Denver Federal Center, Denver Tech Center and the South Metro Business Corridor. Residents will enjoy nearby retailers including Natural Grocers, King Soopers, Whole Foods, Costco and Walmart Supercenter along with two regional shopping centers all within 10 minutes of our site. There is a limited pipeline in Lakewood due to the Residential Growth Limitation which was in place from 2019-2023. As a result, there are no multifamily units under construction in the submarket as of Q2 2026. With limited raw land available in this immediate area, the Lakewood property presents a unique infill development opportunity to deliver a community within a mature and proven market.

UNITS

322 Units

TOTAL ACREAGE

10.88 Acres

PRODUCT TYPE

4-Story & 5-Story, Metro

TARGETED START

Q1 2027



Property Highlights

SITE HIGHLIGHTS

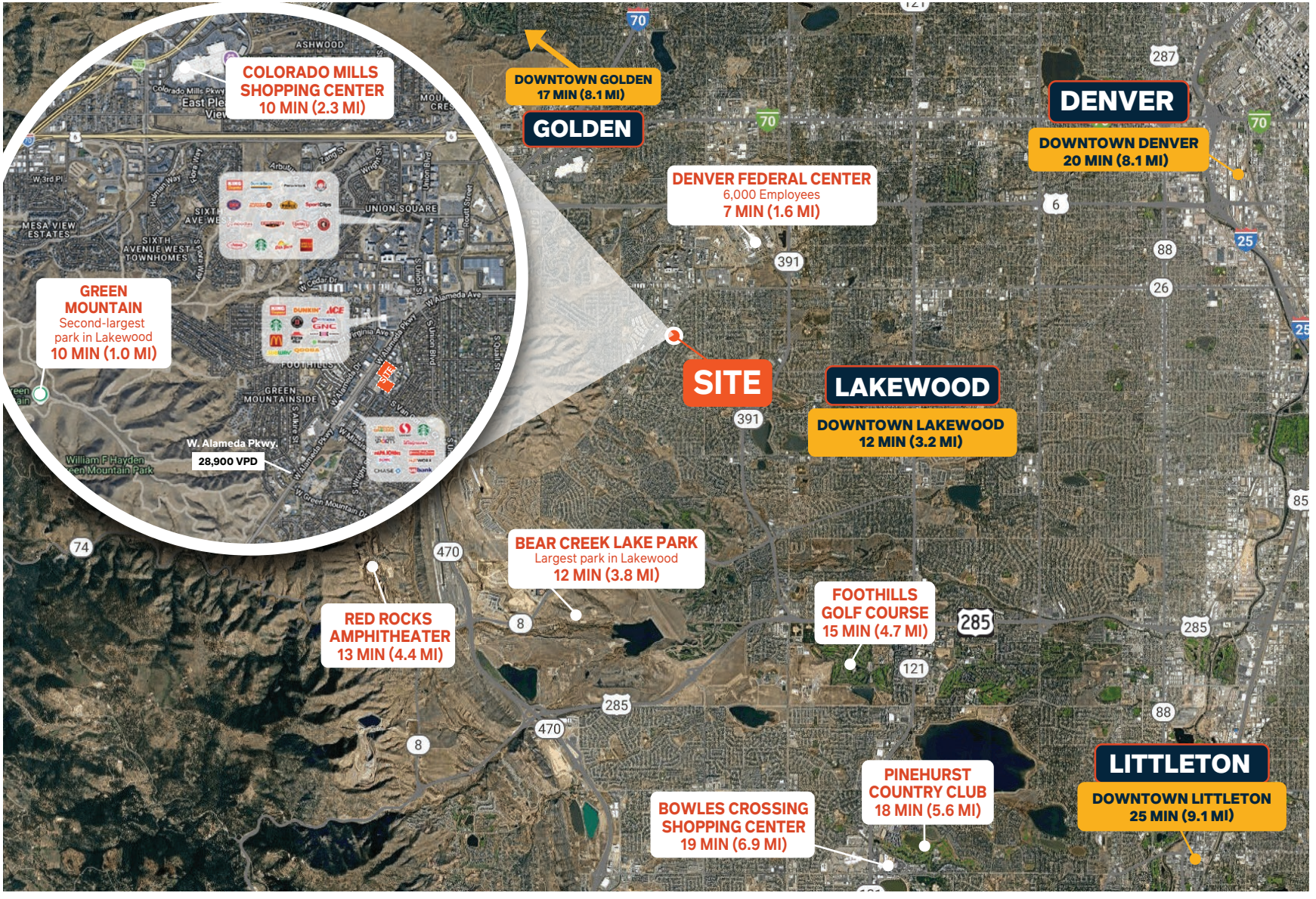
- The site is located in Lakewood, a highly desirable suburb balanced between downtown Denver (20 minutes) and the foothills of the Rocky Mountains (15 minutes).
- Excellent visibility from and access to W Alameda Pkwy (28,900 VPD), which provides connectivity to major thoroughfares C-470 (6 minutes), Hwy 6 (4 minutes), and I-70 (10 minutes).
- Residents will enjoy many local and national restaurants and retailers nearby including Natural Grocers and Starbucks within walking distance and Safeway and King Soopers within a half mile. Colorado Mills, a popular 1.4M sf outlet shopping mall, features over 185 stores and is 10 minutes from the site.
- The site benefits from proximity to major employers, including the Denver Federal Center (6,000 employees), National Renewable Energy Lab (3,675 employees), Terumo Blood and Cell Technologies (2,000 employees), CommonSpirit St. Anthony Hospital (1,231 employees), and CoorsTek (1,200 employees) - all within 3.0 miles of our site.
- The site is only 1 mile from Green Mountain, the second-largest park in Lakewood featuring 2,400 acres of open space, a network of multi-use trails, and a 6,800 ft summit, which offers stunning views of the Denver metro area to the east and high mountain peaks to the west. Lakewood's largest park, 2,600-acre Bear Creek Lake, is a 12-minute drive from our site.

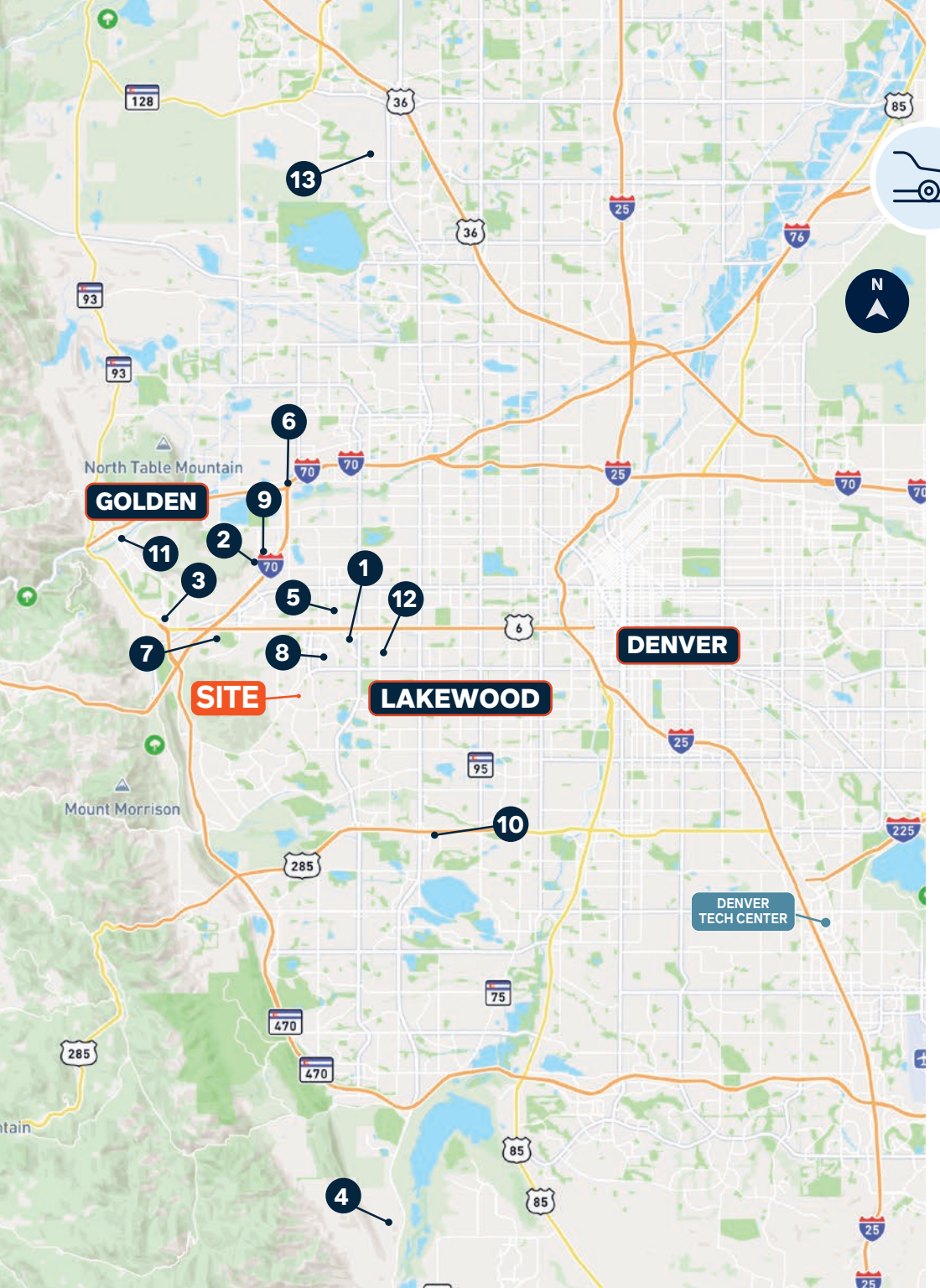
MARKET HIGHLIGHTS

- Lakewood is located on the southwest side of the Denver MSA and is Colorado's fifth largest city with a population of 160,249 as of 2025.
- Lakewood is one of Denver's most sought-after areas with its optimal mix of access to major employers, an abundance of retail and restaurant options and proximity to outdoor recreation including Colorado Mills, Belmar, Green Mountain Park, Bear Creek Lake Park, 15 minutes to Red Rocks Amphitheater, 20 minutes to downtown Denver, and 1 hour to world-class ski resorts. The city has dedicated more than 7,000 acres to parks and open space, with approximately 240 miles of trails.
- With a $2,888 per month affordability gap as of Q2 2026, Lakewood is well-positioned to maintain elevated demand for multifamily housing, as single-family homes remain both limited and cost-prohibitive within this highly desirable MSA location.
- The City has more than 70,000 jobs across all industries with major sectors including Federal Agencies, State and Local Government, Education, Healthcare and Social Assistance, Retail Trade, Medical Device Manufacturing, Financial Services, IT/Software and Advertising/Marketing.
- Several leading universities and research facilities are in or near Lakewood including Colorado Christian University, Red Rocks Community College and Colorado School of Mines, contributing to Lakewood having one of the most highly educated workforces in the country.

SOURCES: Esri, RealPage

Market Aerial

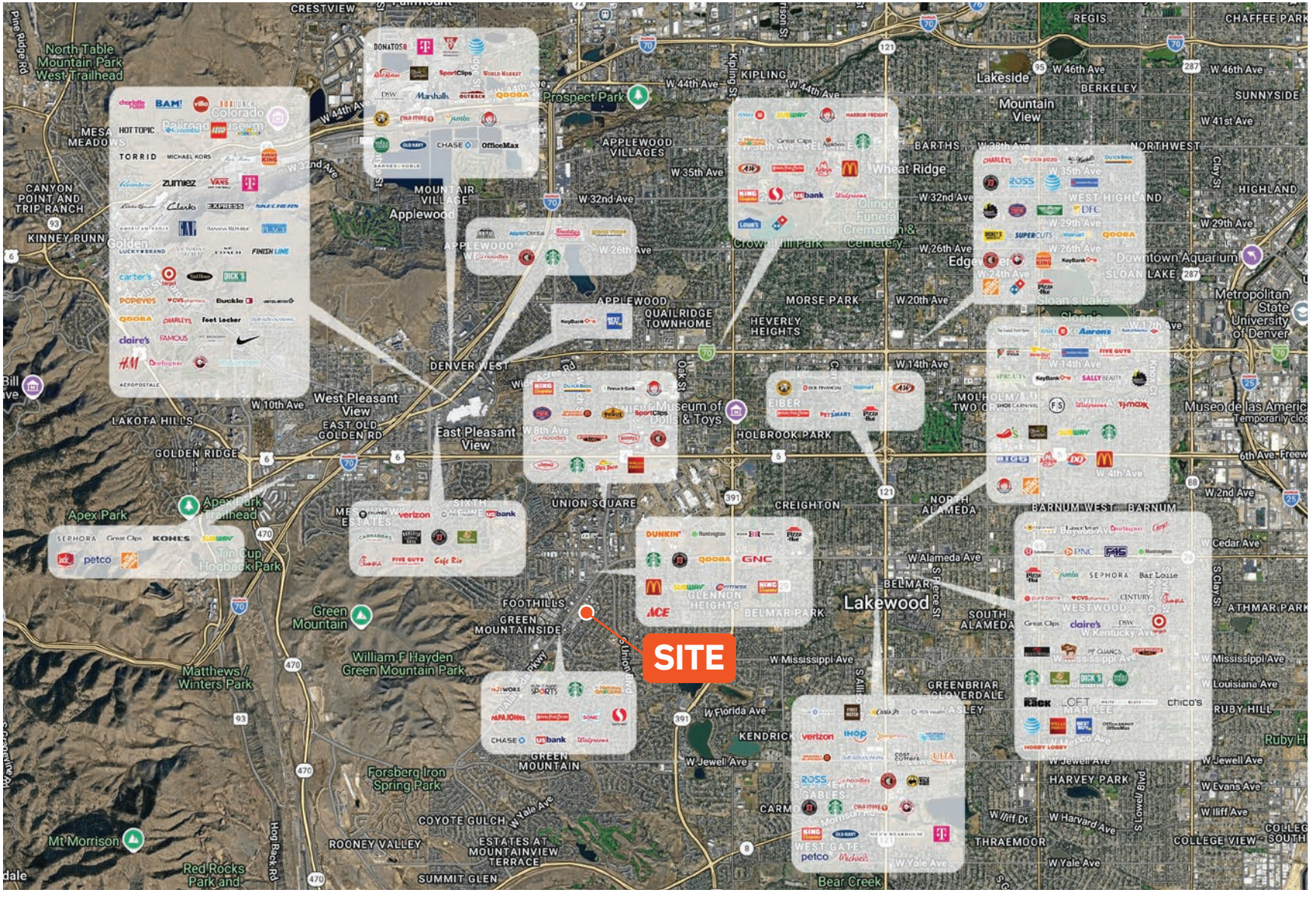




MAJOR EMPLOYERS

		# EMPLOYEES	DISTANCE
1	Denver Federal Center	6,000	1.6 mi
2	National Renewable Energy Laboratory	3,675	2.9 mi
3	Jefferson County School District - Lakewood	3,350	2.8 mi
4	Lockheed Martin Corporation	2,500	10.3 mi
5	Terumo Blood and Cell Technologies	2,000	2.4 mi
6	Intermountain Health Lutheran Hospital	2,000	1.8 mi
7	Intermountain Health Lutheran Hospital - Cancer Centers of Colorado	1,700	4.7 mi
8	CommonSpirit St. Anthony Hospital	1,231	0.9 mi
9	CoorsTek	1,200	2.9 mi
10	Encore Electric	900	4.9 mi
11	MillerCoors Brewing Company	850	5.6 mi
12	Colorado Christian University	832	2.2 mi
13	Ball Corporation	360	5.3 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**
1	0%	Hotel	393	393	$0	$0	$0.00	$0
132	41%	One Bedroom One Bath	738	97,376	$1,938	$1,938	$2.63	$255,850
161	50%	Two Bedroom Two Bath	1,162	187,002	$2,587	$2,587	$2.23	$416,520
28	9%	Three Bedroom Two Bath	1,482	41,484	$3,286	$3,286	$2.22	$92,000
322	**100%**		**1,013**	**326,255**	**$2,374**	**$2,374**	**$2.34**	**$764,370**
	All Units at Market Rent		$9,172,440					
	Projected Rent Growth		$669,557					
Gross Potential Rent			**$9,841,997**					

Other Income	Annual Income	Monthly	Per Unit Per Month	%
Application/Administration Fees	$34,261	$2,855	$8.87	2.77%
Pet Deposit Fees & Rent	$33,810	$2,818	$8.75	2.73%
Short-Term/Month to Month Lease Fees	$38,640	$3,220	$10.00	3.12%
Detached Garages (117 units)	$251,043	$20,920	$64.97	20.27%
Reserved Parking Spaces	$20,520	$1,710	$5.31	1.66%
Water/Sewer Income	$140,070	$11,673	$36.25	11.31%
Late Fees	$16,519	$1,377	$4.28	1.33%
Lease Termination Fees	$91,731	$7,644	$23.74	7.41%
Miscellaneous Income	$3,600	$300	$0.93	0.29%
Damages/Cleaning/Security Deposit Forfeitures	$29,366	$2,447	$7.60	2.37%
Bundle Income	$411,130	$34,261	$106.40	33.20%
Fenced First Floor Units	$25,650	$2,138	$6.64	2.07%
Hotel Unit	$13,500	$1,125	$3.49	1.09%
Premium Units	$46,200	$3,850	$11.96	3.73%
Projected Other Income Growth	$82,432	$6,869	$21.33	6.66%
Total Other Income	**$1,238,472**	**$103,206**	**$320.52**	**100.00%**
Gross Potential Income (GPI)	**$11,080,469**			
Vacancy^	$492,100	5.00%		
Collections Loss (Bad Debt)	$49,210	0.50%		
Concessions	$98,420	1.00%		
Effective Gross Income (EGI)	**$10,440,739**	**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	$547,400	$1,700	$1.68	5.24%
Advertising and Marketing	$96,000	$298	$0.29	0.92%
Turnover Costs	$88,735	$276	$0.27	0.85%
Repairs & Maintenance / Contract Services	$223,300	$693	$0.68	2.14%
Utilities	$434,700	$1,350	$1.33	4.16%
Administrative Expense*	$128,800	$400	$0.39	1.23%
Total Controllable Expenses	**$1,518,935**	**$4,717**	**$4.66**	**14.55%**
Property Taxes	$678,434	$2,107	$2.08	6.50%
Insurance*	$201,250	$625	$0.62	1.93%
Professional Management (3% of EGI)*	$313,222	$973	$0.96	3.00%
Reserves (Capital Improvements)	$48,300	$150	$0.15	0.46%
Total Non-Controllable Expenses	**$1,241,206**	**$3,855**	**$3.80**	**11.89%**
Projected Expense Growth	$143,834	$447	$0.44	1.38%
Total Expenses	**$2,903,975**	**$9,019**	**$8.90**	**27.81%**
Expenses Net of Taxes and Insurance	$2,024,291	$6,287	$6.20	19.39%
Net Operating Income	**$7,536,765**			
Value @ 5.38% CAP RATE	**$140,218,876**			
Value Per Unit	**$435,462**			
LTV	**53%**			
DEVELOPMENT YIELD	**6.84%**			

*Includes related party services, fees and affiliated transactions described on page 17 of this Memorandum and permitted under the Limited Partnership Agreement. See ***Factoring the Risk - Related Party Transactions, Fees and Expenses and - Related Party Transactions with Thompson Thrift***.

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Estimated Budget

Total Budget		
Land Cost		$13,509,446
Brokerage Commission		$150,000
Subtotal Land Cost		**$13,659,446**
Geotechnical and Materials Testing		$165,000
Survey		$86,138
Traffic Study		$20,000
Appraisal		$10,000
Title/Closing Fees		$151,053
Loan Fees		$446,205
Internal Financing Fee*		$185,919
Miscellaneous Closing Costs		$25,000
Lender Inspection Fees		$45,000
Construction Admin/Owners Rep*		$1,928,048
Civil Engineering		$331,890
Architectural		$844,805
Permits/Impact Fees		$15,696,931
Construction Interest		$4,878,720
Land Carry Interest*		$121,629
Pre Construction Interest		$250,000
Property Taxes		$339,217
Legal*		$95,000
Insurance*		$448,546
FFE/Startup Cost/Marketing		$3,299,314
Development Overhead*		$2,754,354
Soft Cost Contingency		$328,713
Subtotal Soft Cost		**$32,451,482**
Construction Costs*		$65,888,720
Contingency	3.50%	$2,306,105
Subtotal Hard Cost		**$68,194,826**
Targeted Budget Reduction		($4,131,585)
Total Development Budget		**$110,174,169**
Total Cost Per Unit		**$342,156**

Capital Stack		
Bank Loan To Cost	67.50%	$74,367,564
Required Equity**	32.50%	$35,806,605
		$110,174,169

Projected Sale Analysis

Projected Sale Analysis		
Stabilized NOI	$	7,536,765
Projected Exit Cap Rate		5.38%
Sale Price	**$**	**140,218,876**
Sale Price Per Unit	**$**	**435,462**
Sale Price Per Sq. Ft.	**$**	**430**
Less Selling Expenses @ 1%	**$**	**(1,402,189)**
Net Sale Proceeds	$	138,816,687
Accumulated Cash	$	1,223,874
Equity Interest	$	17,934
Outstanding Mortgage	$	(74,367,564)
Cash Available for Distribution	**$**	**65,690,931**

*Includes related party services, fees and affiliated transactions described on page 17 of this Memorandum and permitted under the Limited Partnership Agreement. See ***Factoring the Risk - Related Party Transactions, Fees and Expenses and - Related Party Transactions with Thompson Thrift***.

**Estimated Capital Contribution on page 15 includes Organizational Expenses.

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Sparks, Nevada

RENO MSA

PROPERTY 2

Located at the corner of Sparks Boulevard and Pyramid Way in Northeast Sparks, Nevada, the site offers exceptional connectivity to the region's primary employment and lifestyle destinations, including Victorian Square, Downtown Reno, and the Reno-Tahoe International Airport, all accessible within approximately 15 minutes via Pyramid Way. Situated in a submarket with a limited immediate multifamily development pipeline, the property benefits from near-term supply constraints that support rent growth potential and long-term market stability. Within 1.5 miles, residents will have convenient access to a strong concentration of national and regional retail and dining, while adjacent parcels to the north are planned for significant commercial expansion, including a Smith's grocery-anchored retail center and a future Renown Medical Center, one of the largest employers in the Sparks-Reno market. Nearby for-sale housing commands a median home value of approximately $534,823, reinforcing a clear affordability gap for households seeking attainable alternatives. With its strategic location, strong retail and employment drivers, and limited competing supply, the site is well positioned to benefit from continued population growth and sustained economic expansion across the Reno-Sparks MSA.

UNITS

336 Units

TOTAL ACREAGE

20.85 Acres

PRODUCT TYPE

3-Story, Classic

TARGETED START

Q2 2027



Property Highlights

SITE HIGHLIGHTS

- Located on the corner of Sparks Blvd and Pyramid Way, which provides great access to Downtown Reno (12 minutes, 6.2 miles), and the Reno-Tahoe International Airport (14 minutes, 7.3 miles) via Pyramid Way.
- The site is in Northeast Sparks, an area of the market that has a limited immediate multifamily development pipeline, supporting near-term supply constraints and rent growth potential.
- The site will provide residents with convenient access to a strong mix of national and regional retail and dining options within 1.5 miles, including Costco, Home Depot, Walmart Supercenter, Trader Joe's, Best Buy, Marshalls, HomeGoods, Dutch Bros, Panda Express, Einstein Bros, Qdoba, Starbucks, Wingstop and more.
- Directly north of the site are two adjacent parcels planned for major commercial development, including Smith's Marketplace grocery-anchored retail center featuring ±400,000 sf of retail space situated on a ±47-acre parcel, as well as a future Renown Medical Center, one of the largest employers in the Sparks-Reno market.
- Nearby for-sale housing is priced at a premium, supported by new-home communities from Lennar, Toll Brothers, and Ryder Homes within a three-mile radius, where the median home value is $534,823, creating a clear affordability gap for households seeking attainable homeownership options.

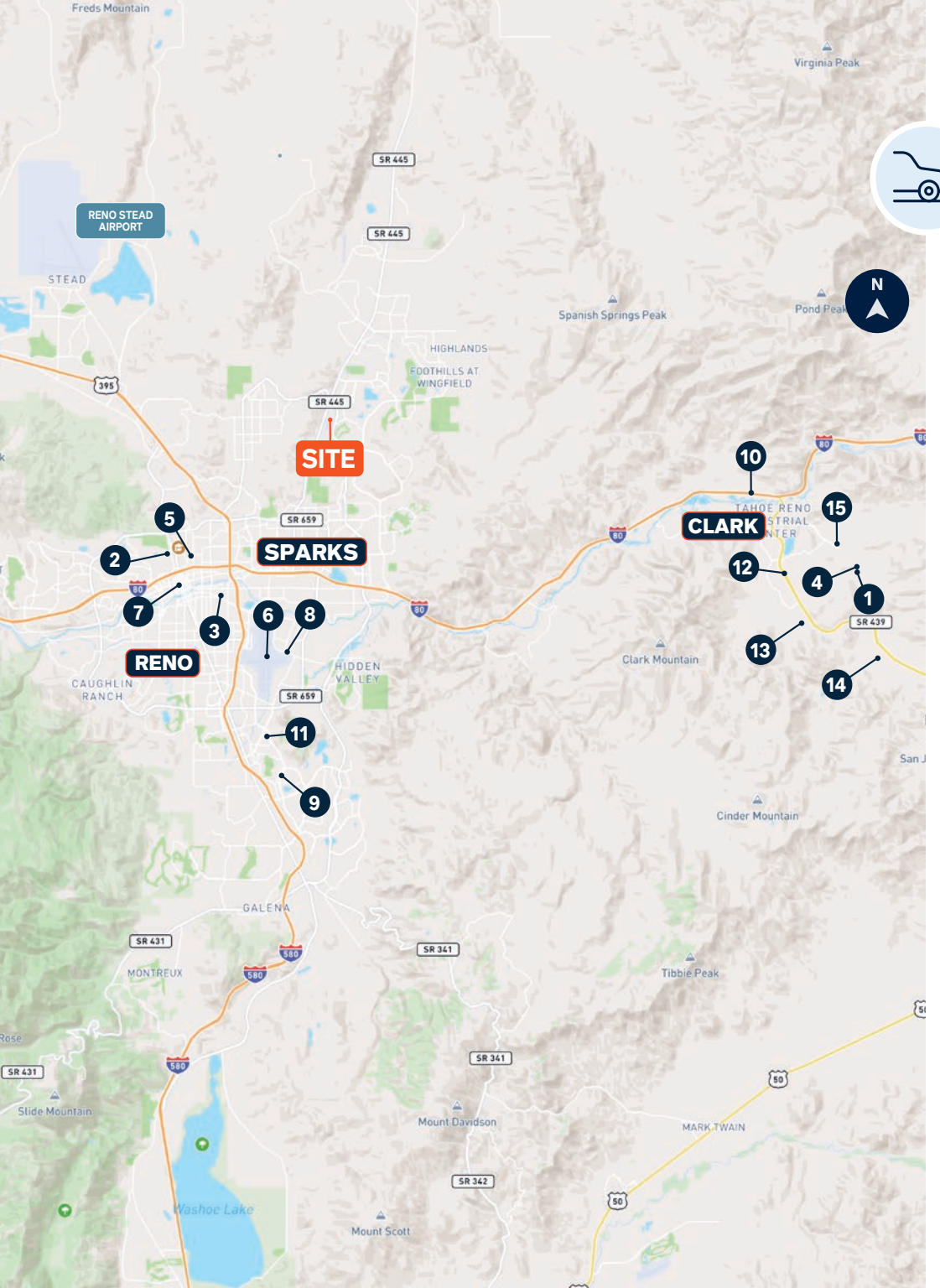
MARKET HIGHLIGHTS

- 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-Sparks was ranked the 13th best place to live in the West in Livability.com's December 2025 release, which uses nearly 100 data points, including a city's economy, cost of living, amenities, transportation, environment, safety, education, and health, to rank cities.
- Situated just under an hour from Mount Rose and Lake Tahoe, Sparks provides residents with easy access to year-round outdoor recreation, including skiing, hiking, boating, beaches, and mountain scenery.
- The Tahoe-Reno Industrial Center (TRIC) rests just east of Sparks and is the largest industrial park in the world, at 102,000+ acres. Its residents include Tesla, Panasonic, and Google, and the center's 150+ businesses employ over 20,000 people.
- The Reno MSA has a robust rental market, with occupancy at 97.3% and effective rents increasing 8.10% YoY as of Q2 2026, according to RealPage.
- According to Cushman & Wakefield's Q2 2026 Reno Multifamily MarketBeat, Reno recorded no multifamily deliveries through H1 2026, compared with 1,002 units in H1 2025. With only 425 units under construction, 2026 deliveries are expected to fall well below the 10-year average of 1,470 units, despite 509 units of year-to-date net absorption.

SOURCES: Cushman & Wakefield, Esri, Livability.com, RealPage, U.S. News & World Report

Market Aerial



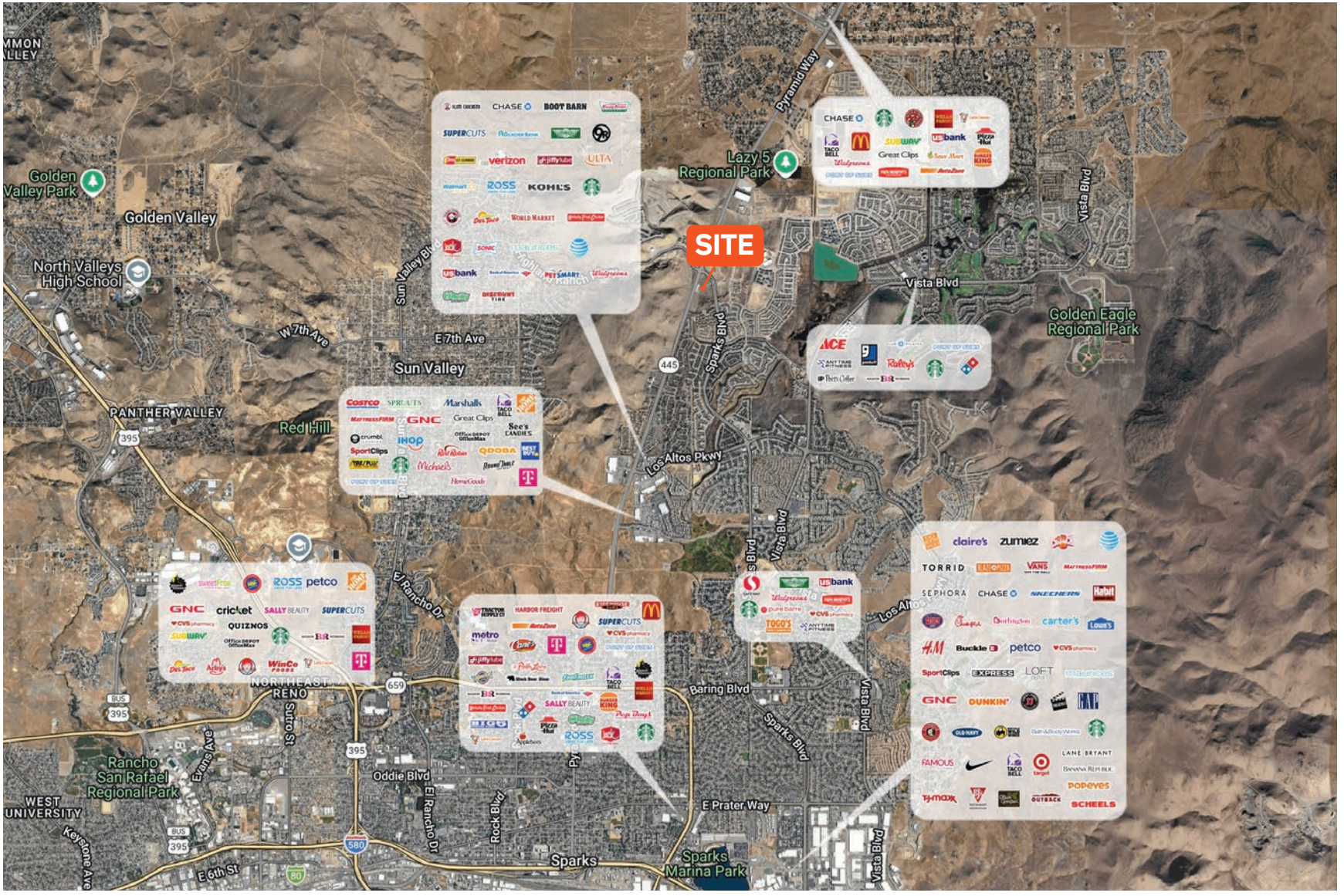


MAJOR EMPLOYERS

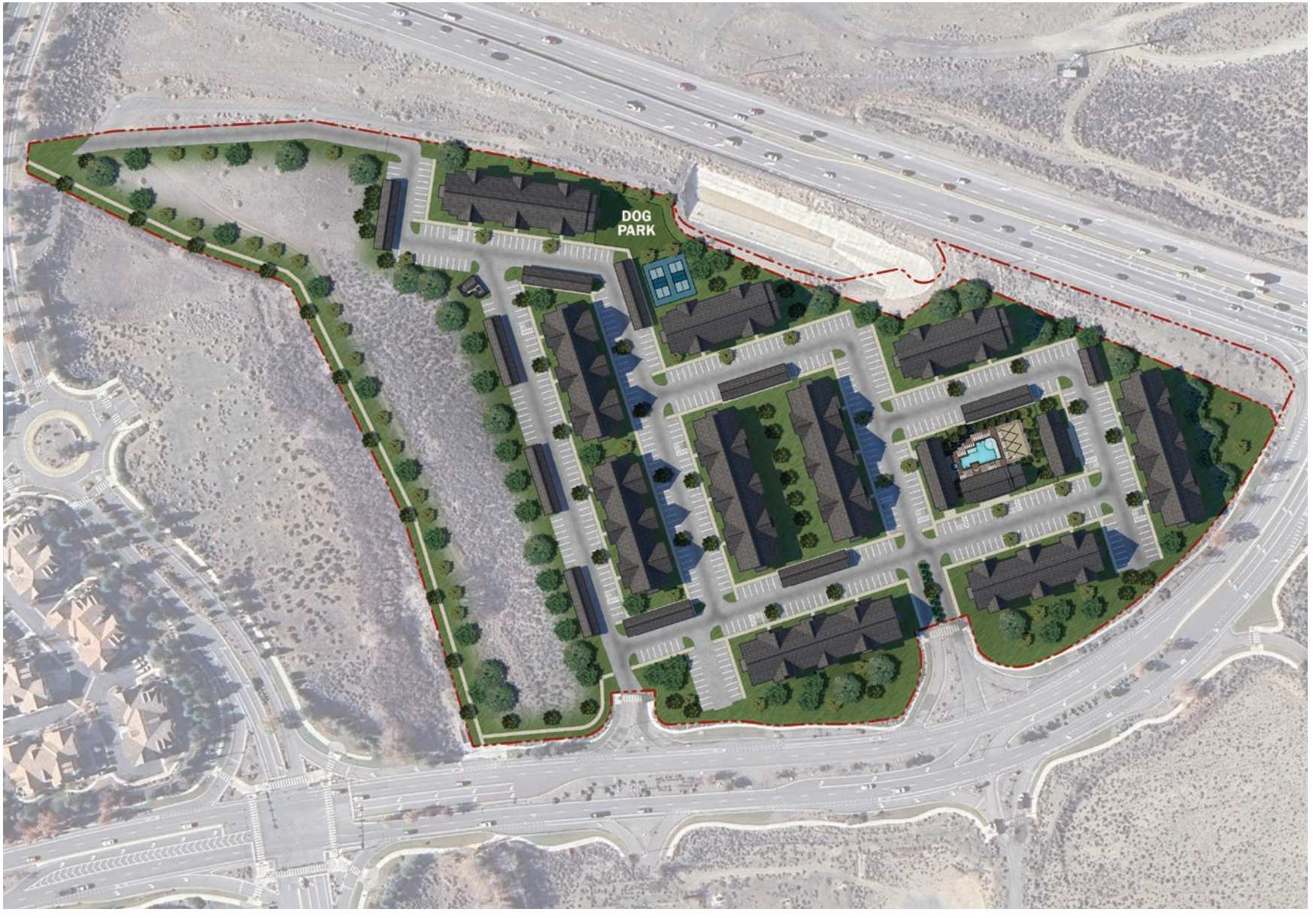
		# EMPLOYEES	DISTANCE
1	Tesla Gigafactory	12,000	16.3 mi
2	University of Nevada, Reno	8,254	6.0 mi
3	Renown Medical Center*	7,300	6.5 mi
4	Panasonic Energy	4,000	16.3 mi
5	Washoe County	3,100	6.0 mi
6	Reno-Tahoe International Airport	2,800	7.3 mi
7	St. Mary's Health Network*	2,300	6.9 mi
8	Hamilton Company	1,000	7.1 mi
9	IGT	950	10.9 mi
10	Apple Data Center	800	11.0 mi
11	Sierra Medical Center	780	9.9 mi
12	Walmart Distribution Center	600	14.4 mi
13	Switch Reno Data Center	500	15.0 mi
14	Google	500	17.7 mi
15	Thrive Market	500	15.4 mi

*Indicates multiple locations within the MSA

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
132	39%	One Bedroom One Bath	730	96,332	$1,956	$1,956	$2.68	$258,211
168	50%	Two Bedroom Two Bath	1,136	190,848	$2,373	$2,373	$2.09	$398,580
36	11%	Three Bedroom Two Bath	1,314	47,304	$2,788	$2,788	$2.12	$100,350
336	**100%**		**995**	**334,484**	**$2,253**	**$2,253**	**$2.26**	**$757,141**
	All Units at Market Rent		$9,085,698					
	Projected Rent Growth		$942,753					
Gross Potential Rent			**$10,028,451**					

Other Income	Annual Income	Monthly	Per Unit Per Month	%
Application/Administration Fees	$41,113	$3,426	$10.20	2.74%
Pet Deposit Fees & Rent	$60,480	$5,040	$15.00	4.04%
Short-Term/Month to Month Lease Fees	$40,320	$3,360	$10.00	2.69%
Detached Garages (93 units)	$160,076	$13,340	$39.70	10.68%
Water/Sewer Income	$146,513	$12,209	$36.34	9.78%
Late Fees	$17,237	$1,436	$4.28	1.15%
Lease Termination Fees	$90,841	$7,570	$22.53	6.06%
Miscellaneous Income	$3,600	$300	$0.89	0.24%
Damages/Cleaning/Security Deposit Forfeitures	$30,643	$2,554	$7.60	2.04%
Bundle Income	$574,560	$47,880	$142.50	38.34%
Fenced First Floor Units	$75,240	$6,270	$18.66	5.02%
Carport Income	$110,808	$9,234	$27.48	7.39%
Premium Units	$48,300	$4,025	$11.98	3.22%
Projected Other Income Growth	$98,929	$8,244	$24.54	6.60%
Total Other Income	**$1,498,660**	**$116,644**	**$371.69**	**100.00%**
Gross Potential Income (GPI)	**$11,527,111**			
Vacancy^	$501,423	5.00%		
Collections Loss (Bad Debt)	$50,142	0.50%		
Concessions	$100,285	1.00%		
Effective Gross Income (EGI)	**$10,875,261**	**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	$554,400	$1,650	$1.66	5.10%
Advertising and Marketing	$96,000	$286	$0.29	0.88%
Turnover Costs	$92,594	$276	$0.28	0.85%
Repairs & Maintenance / Contract Services	$218,400	$650	$0.65	2.01%
Utilities	$453,456	$1,350	$1.36	4.17%
Administrative Expense*	$134,400	$400	$0.40	1.24%
Total Controllable Expenses	**$1,549,250**	**$4,611**	**$4.63**	**14.25%**
Property Taxes	$892,500	$2,656	$2.67	8.21%
Insurance*	$168,000	$500	$0.50	1.54%
HOA	$34,000	$101	$0.10	0.31%
Professional Management (3% of EGI)*	$326,258	$971	$0.98	3.00%
Reserves (Capital Improvements)	$50,400	$150	$0.15	0.46%
Total Non-Controllable Expenses	**$1,471,158**	**$4,378**	**$4.40**	**13.53%**
Projected Expense Growth	$139,837	$416	$0.42	1.29%
Projected HOA Expense Growth	$2,889	$9	$0.01	0.03%
Total Expenses	**$3,163,133**	**$9,414**	**$9.46**	**29.09%**
Expenses Net of Taxes and Insurance	$2,102,633	$6,258	$6.29	19.33%
Net Operating Income	**$7,712,127**			
Value @ 5.64% CAP RATE	**$136,861,173**			
Value Per Unit	**$407,325**			
LTV	**52%**			
DEVELOPMENT YIELD	**7.27%**			

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Estimated Budget

Total Budget		
Land Cost		$17,400,000
Brokerage Commission		$174,000
Subtotal Land Cost		**$17,574,000**
Geotechnical and Materials Testing		$180,000
Ecological/Archeological		$5,000
Environmental Reports		$3,800
Survey		$91,200
Traffic Study		$5,000
Appraisal		$10,000
Title/Closing Fees		$119,994
Loan Fees		$429,721
Internal Financing Fee*		$179,050
Miscellaneous Closing Costs		$25,000
Lender Inspection Fees		$45,000
Construction Admin/Owners Rep*		$1,856,820
Civil Engineering		$408,800
Architectural		$644,250
Permits/Impact Fees		$7,720,658
Construction Interest		$4,486,944
Land Carry Interest*		$230,175
Pre Construction Interest		$100,000
Property Taxes		$407,671
Legal*		$75,000
Insurance*		$394,294
FFE/Startup Cost/Marketing		$2,834,534
Development Overhead*		$2,652,599
Soft Cost Contingency		$258,977
Subtotal Soft Cost		**$23,164,489**
Construction Costs*		$66,415,475
Contingency	3.50%	$2,324,542
Subtotal Hard Cost		**$68,740,017**
Targeted Budget Reduction		($3,374,530)
Total Development Budget		**$106,103,976**
Total Cost Per Unit		**$315,786**

Capital Stack		
Bank Loan To Cost	67.50%	$71,620,184
Required Equity	32.50%	$34,483,792
		$106,103,976

Projected Sale Analysis

Projected Sale Analysis		
Stabilized NOI	$	7,712,127
Projected Exit Cap Rate		5.64%
Sale Price	**$**	**136,861,173**
Sale Price Per Unit	**$**	**407,325**
Sale Price Per Sq. Ft.	**$**	**409**
Less Selling Expenses @ 1%	**$**	**(1,368,612)**
Less Transfer Tax @ 0.41%	**$**	**(561,131)**
Net Sale Proceeds	$	134,931,430
Accumulated Cash	$	2,236,705
Equity Interest	$	29,289
Outstanding Mortgage	$	(71,620,184)
Cash Available for Distribution	**$**	**65,577,240**

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Lexington, Kentucky

LEXINGTON MSA

PROPERTY 3

Lexington, Kentucky, known as the “Horse Capital of the World,” is a vibrant and charming city with a rich history and numerous attractions that include Keeneland and the Kentucky Bourbon Trail. This site borders the Hamburg neighborhood, one of Lexington’s most affluent and growing communities with $133K average household income and a 1.8% annualized growth rate since 2020, and provides a unique opportunity for residential development as part of a new mixed-use development featuring a Kroger Marketplace that is currently under construction, estate homes planned in the back of the development, and additional commercial outparcels. Future residents will benefit from exceptional access to major corridors, retail conveniences, and key employers like the University of Kentucky (~27K employees) and Toyota (~10K employees). Strong demographics, top-five annualized rent growth in the nation (2020-2025), and high occupancy make Lexington a highly compelling location for new residential development.

UNITS
288 Units

TOTAL ACREAGE
13.6 Acres

PRODUCT TYPE
3-Story, Classic

TARGETED START
Q2 2027



Property Highlights

SITE HIGHLIGHTS

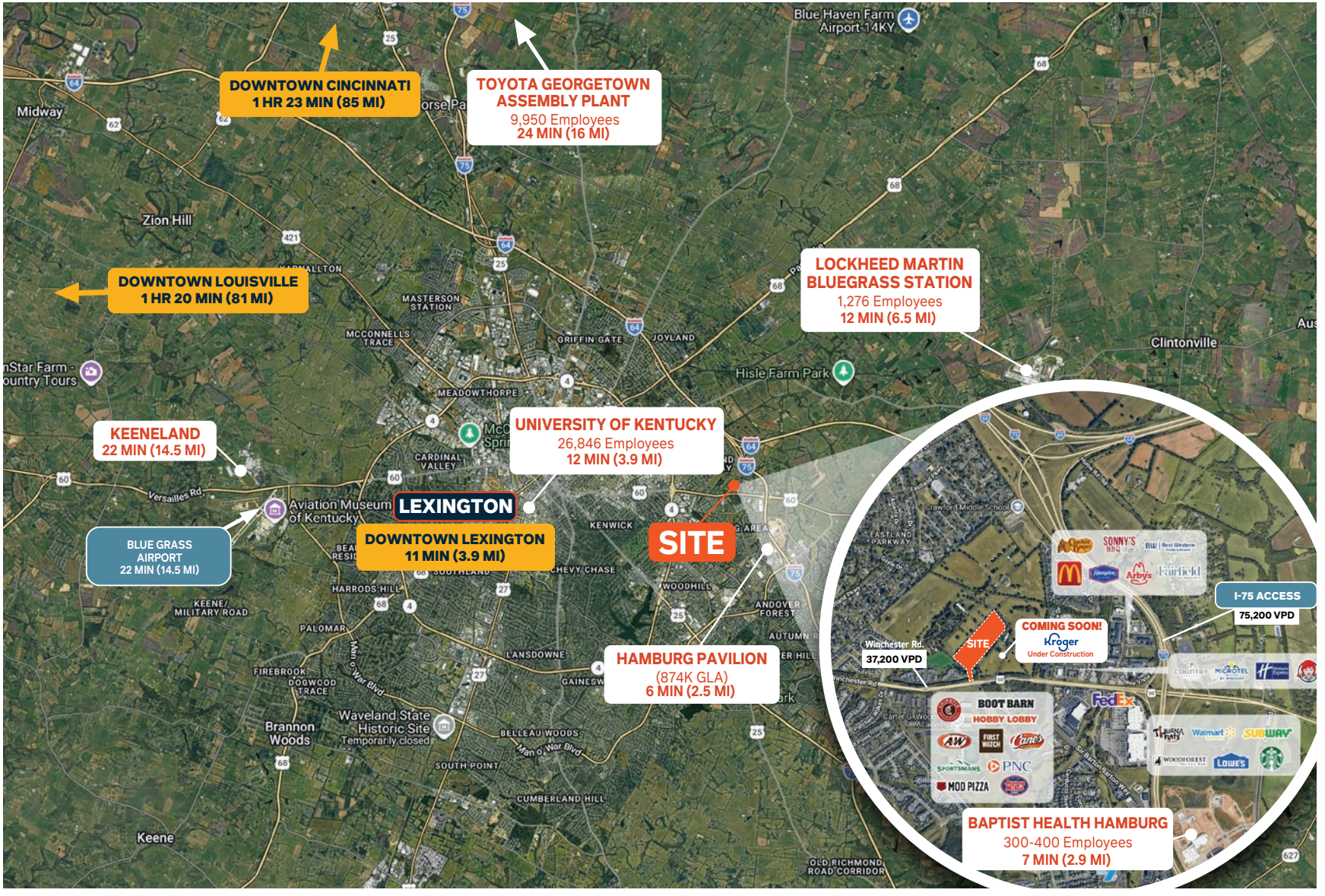
- This Lexington, KY development site will consist of 288 Classic units. The project is located near the affluent and growing Hamburg neighborhood and is part of a new mixed-use development featuring a brand-new Kroger Marketplace under construction and several additional retail parcels to be built.
- The site has immediate access to Winchester Rd., which is a primary thoroughfare in Lexington bringing 37,200 VPD past our site and connecting the site to I-75 (75,200 VPD) within a 2-3 minute (0.5 mile) drive. Winchester Rd. brings residents directly to downtown Lexington, connecting them with the major employment hub in the region. Downtown Lexington employment includes the University of Kentucky (nearly 27,000 employees), Baptist Health Lexington (3,000+ employees), Lexington VA Health Care System (nearly 2,400 employees), and Catholic Health Initiatives – St. Joseph Hospital (2,000+ employees).
- Retail and dining amenities are nearby and plentiful in this pocket of Lexington. Within 2.5 miles of the site, residents will have access to the Hamburg Pavilion (874K GLA) which includes retailers such as Target, Costco, Dick's Sporting Goods, and Cabela's, along with dining like First Watch, Chipotle, Starbucks, Raising Cane's, Culver's, and more.
    - Hamburg Pavilion: 6 minutes, 2.5 miles
    - Baptist Health Hamburg: 7 minutes, 2.9 miles
    - Downtown Lexington: 11 minutes, 3.9 miles
    - University of Kentucky: 12 minutes, 3.9 miles
    - Baptist Health Lexington: 18 minutes, 5.8 miles
    - Blue Grass Airport: 22 minutes, 14.5 miles
- The Hamburg area has strong average household incomes at $133K and has grown at an annualized rate of 1.8% since 2020.

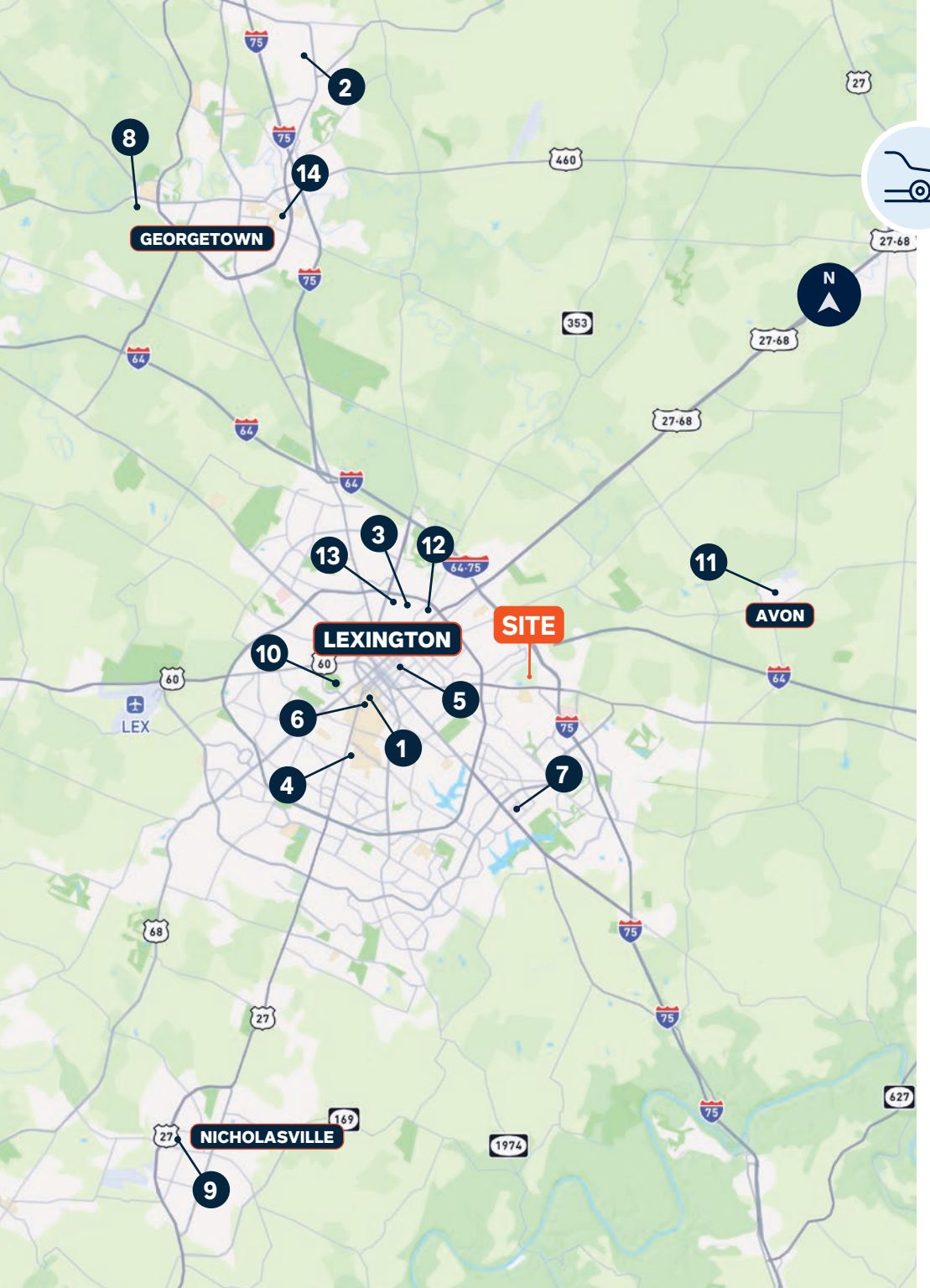
MARKET HIGHLIGHTS

- Between 2020 and 2025, Lexington ranked #1 of the top 150 markets in annual rent growth, averaging 6.5%. To further illustrate its market strength, Lexington posted between 2% and 5% rent growth in 2023, 2024, and 2025 while many markets were negative.
- Multifamily occupancy is strong in the MSA, registering in at 96.3% for Q2 2026 (vs. the national average of 95.5%). This is a trend that has been consistent over the past five years with the market averaging 96.2% over that period.
- Toyota and Lockheed Martin, both global leaders in their respective industries, have continued to grow their presence in the Lexington market.
    - Lockheed Martin was awarded a $10B, 12-year contract in July of 2026 to expand and continue their Special Forces operations in Lexington.
    - Toyota has committed $1.7B in expansion projects announced in December of 2024 and April of 2026 for their Georgetown, KY vehicle manufacturing plant.
- The University of Kentucky is a key economic driver for Lexington, supporting innovation, research, education, and a skilled workforce while attracting businesses and contributing to continued economic development in the region. Additionally, the University is a marker of growth for Lexington with a 5% annualized increase in enrollment over the past five years.
- In 2025, Lexington, KY ranked as the #15 best place to live (2024-2025) by U.S. News & World Report, #10 best city in the South by Southern Living, and #32 best city in America by Niche.

SOURCES: CBRE, Commerce Lexington, Inc., Esri, Niche, RealPage, Southern Living, Toyota, U.S. News & World Report

Market Aerial





MAJOR EMPLOYERS

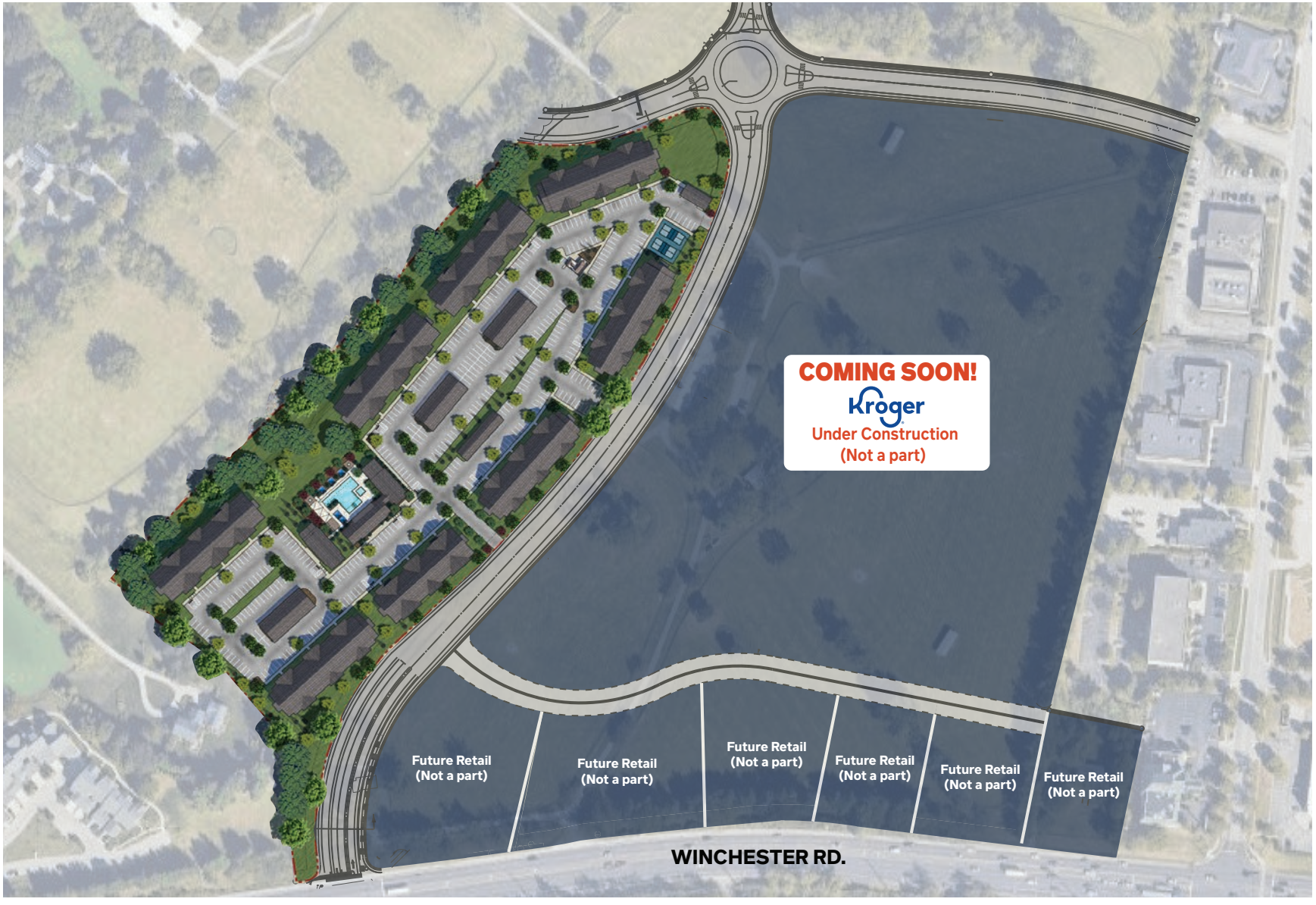
		# EMPLOYEES	DISTANCE
1	University of Kentucky	26,846	3.93 mi
2	Toyota	9,950	16.04 mi
3	Fayette County Public Schools*	5,790	3.35 mi
4	Baptist Health*	3,189	4.59 mi
5	Lexington-Fayette Urban County Government*	3,056	3.34 mi
6	Veterans Medical Center	2,384	4.05 mi
7	Catholic Health Initiatives	2,029	3.02 mi
8	Scott County Public Schools*	1,656	14.96 mi
9	Jessamine County Schools*	1,500	14.01 mi
10	Lexington Clinic*	1,490	4.78 mi
11	Lockheed Martin	1,276	6.47 mi
12	Galls LLC	1,000	2.94 mi
13	Lexmark International	916	3.78 mi
14	Adient (Johnson Controls)	785	12.39 mi

*Indicates multiple locations

Nearby Retail



Site Plan


N
COMING SOON!
Kroger
Under Construction
(Not a part)
Future Retail
(Not a part)
Future Retail
(Not a part)
Future Retail
(Not a part)
Future Retail
(Not a part)
Future Retail
(Not a part)
Future Retail
(Not a part)
WINCHESTER RD.

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
108	38%	One Bedroom One Bath	730	78,788	$1,541	$1,541	$2.11	$166,390
144	50%	Two Bedroom Two Bath	1,136	163,648	$1,982	$1,982	$1.74	$285,440
36	13%	Three Bedroom Two Bath	1,314	47,304	$2,188	$2,188	$1.66	$78,750
288	**100%**		**1,006**	**289,740**	**$1,842**	**$1,842**	**$1.83**	**$530,580**
	All Units at Market Rent		$6,366,960					
	Projected Rent Growth		$168,712					
Gross Potential Rent			**$6,535,672**					

Other Income	Annual Income	Monthly	Per Unit Per Month	%
Application/Administration Fees	$35,240	$2,937	$10.20	3.09%
Pet Deposit Fees & Rent	$51,120	$4,260	$14.79	4.48%
Short-Term/Month to Month Lease Fees	$34,560	$2,880	$10.00	3.03%
Detached Garages (57 units)	$98,190	$8,183	$28.41	8.61%
Reserved Parking Spaces	$12,960	$1,080	$3.75	1.14%
Water/Sewer Income	$125,582	$10,465	$36.34	11.01%
Late Fees	$14,774	$1,231	$4.27	1.29%
Lease Termination Fees	$63,660	$5,305	$18.42	5.58%
Miscellaneous Income	$3,600	$300	$1.04	0.32%
Damages/Cleaning/Security Deposit Forfeitures	$26,266	$2,189	$7.60	2.30%
Bundle Income	$492,480	$41,040	$142.50	43.17%
Fenced First Floor Units	$64,980	$5,415	$18.80	5.70%
Premium Units	$44,100	$3,675	$12.76	3.87%
Projected Other Income Growth	$73,341	$6,112	$21.22	6.43%
Total Other Income	**$1,140,853**	**$88,959**	**$330.11**	**100.00%**
Gross Potential Income (GPI)	**$7,676,525**			
Vacancy^	$326,784	5.00%		
Collections Loss (Bad Debt)	$32,678	0.50%		
Concessions	$65,357	1.00%		
Effective Gross Income (EGI)	**$7,251,706**	**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	$460,800	$1,600	$1.59	6.35%
Advertising and Marketing	$96,000	$333	$0.33	1.32%
Turnover Costs	$79,366	$276	$0.27	1.09%
Repairs & Maintenance / Contract Services	$187,200	$650	$0.65	2.58%
Utilities	$388,714	$1,350	$1.34	5.36%
Administrative Expense*	$115,200	$400	$0.40	1.59%
Total Controllable Expenses	**$1,327,280**	**$4,609**	**$4.58**	**18.30%**
Property Taxes	$615,744	$2,138	$2.13	8.49%
Insurance*	$136,800	$475	$0.47	1.89%
HOA	$10,000	$35	$0.03	0.14%
Professional Management (3% of EGI)*	$217,551	$755	$0.75	3.00%
Reserves (Capital Improvements)	$43,200	$150	$0.15	0.60%
Total Non-Controllable Expenses	**$1,023,295**	**$3,553**	**$3.53**	**14.11%**
Projected Expense Growth	$115,896	$402	$0.40	1.60%
Total Expenses	**$2,466,471**	**$8,564**	**$8.51**	**34.01%**
Expenses Net of Taxes and Insurance	$1,713,927	$5,951	$5.92	23.63%
Net Operating Income	**$4,785,235**			
Value @ 5.98% CAP RATE	**$80,087,618**			
Value Per Unit	**$278,082**			
LTV	**54%**			
DEVELOPMENT YIELD	**7.43%**			

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Estimated Budget

Total Budget		
Land Cost		$5,875,000
Brokerage Commission		$249,688
Subtotal Land Cost		**$6,124,688**
Geotechnical and Materials Testing		$200,000
Ecological/Archeological		$5,000
Environmental Reports		$5,000
Survey		$75,000
Appraisal		$10,000
Title/Closing Fees		$105,875
Loan Fees		$260,748
Internal Financing Fee*		$108,645
Miscellaneous Closing Costs		$25,000
Lender Inspection Fees		$45,000
Construction Admin/Owners Rep*		$1,126,687
Civil Engineering		$345,000
Architectural		$450,210
Permits/Impact Fees		$576,000
Construction Interest		$2,380,555
Pre Construction Interest		$75,000
Property Taxes		$150,000
Legal*		$75,000
Insurance*		$240,619
FFE/Startup Cost/Marketing		$2,485,800
Development Overhead*		$1,609,553
Soft Cost Contingency		$207,375
Subtotal Soft Cost		**$10,562,066**
Construction Costs*		$48,536,580
Contingency	3.50%	$1,698,780
Subtotal Hard Cost		**$50,235,360**
Targeted Budget Reduction		($2,540,000)
Total Development Budget		**$64,382,114**
Total Cost Per Unit		**$223,549**

Capital Stack		
Bank Loan To Cost	67.50%	$43,457,927
Required Equity	32.50%	$20,924,187
		$64,382,114

Projected Sale Analysis

Projected Sale Analysis		
Stabilized NOI	$	4,785,235
Projected Exit Cap Rate		5.98%
Sale Price	**$**	**80,087,618**
Sale Price Per Unit	**$**	**278,082**
Sale Price Per Sq. Ft.	**$**	**276**
Less Selling Expenses @ 1%	**$**	**(800,876)**
Less Transfer Tax @ 0.1%	**$**	**(80,088)**
Net Sale Proceeds	$	79,206,655
Accumulated Cash	$	1,503,462
Equity Interest	$	98,905
Outstanding Mortgage	$	(43,457,927)
Cash Available for Distribution	**$**	**37,351,095**

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Commerce City, Colorado

DENVER MSA

PROPERTY 4

Located in northern Commerce City adjacent to the 3,000-acre Reunion master-planned community, the site benefits from Commerce City's position as one of the Denver MSA's fastest-growing residential areas and convenient access to major employment and transportation corridors. Positioned along E 104th Avenue, residents can quickly access I-76 and E-470, with Denver International Airport, Colorado's largest economic driver and home to approximately 40,000 jobs, just 16 minutes away. The site also offers walkability to a King Soopers-anchored retail center featuring Starbucks, Walgreens, McDonald's, and other national retailers. Strong surrounding demographics, including average household incomes above $165,000 and home values exceeding $619,000 within three miles, complement significant population growth and a substantial affordability gap between renting and homeownership. With comparable multifamily communities averaging 95% occupancy, no new apartment deliveries since 2022, and limited supply currently under construction, the site is well positioned to capture continued rental demand in the growing Commerce City submarket.

UNITS

284 Units

TOTAL ACREAGE

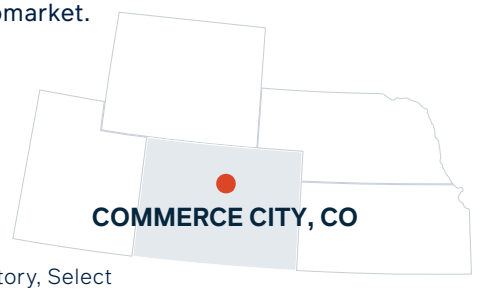
12 Acres

PRODUCT TYPE

3-Story, Classic & 2-Story, Select

TARGETED START

Q2 2027



Property Highlights

SITE HIGHLIGHTS

- The site is located in northern Commerce City, neighboring Reunion, a 3,000-acre master-planned community with more than 3,500 homes, extensive parks and trails, and a 30,000-square-foot recreation center featuring an indoor pool, fitness center, group exercise studios, and community gathering spaces.
- The site will benefit from walkability to a King Soopers-anchored retail center located north of the site that features an array of national brands, including Walgreens, Starbucks, McDonald's, AutoZone, and other retailers.
- The subject site is located off E 104th Ave (20,291 VPD), allowing easy access to both I-76 and E-470. This proximity to major thoroughfares provides quick access to Denver (22 minutes, 13.7 miles), Denver International Airport (16 minutes, 7.7 miles), and other cities throughout the Denver MSA via E-470.
- The site is 16 minutes from the largest economic driver and employer in the state of Colorado – Denver International Airport, which generates more than $47.2 billion for the region annually and is home to 40,000 jobs.
- The surrounding area of the site has exhibited exceptional population growth over the last 15 years, with a 4.99% annual growth rate from 2010-2020, a 5.61% growth rate from 2020-2025 and a projected 2.51% growth rate for the next five years in a three-mile radius, according to Esri.
- Average household income and home value within a three-mile radius are strong, with household incomes above $165,000 and home values above $619,000.

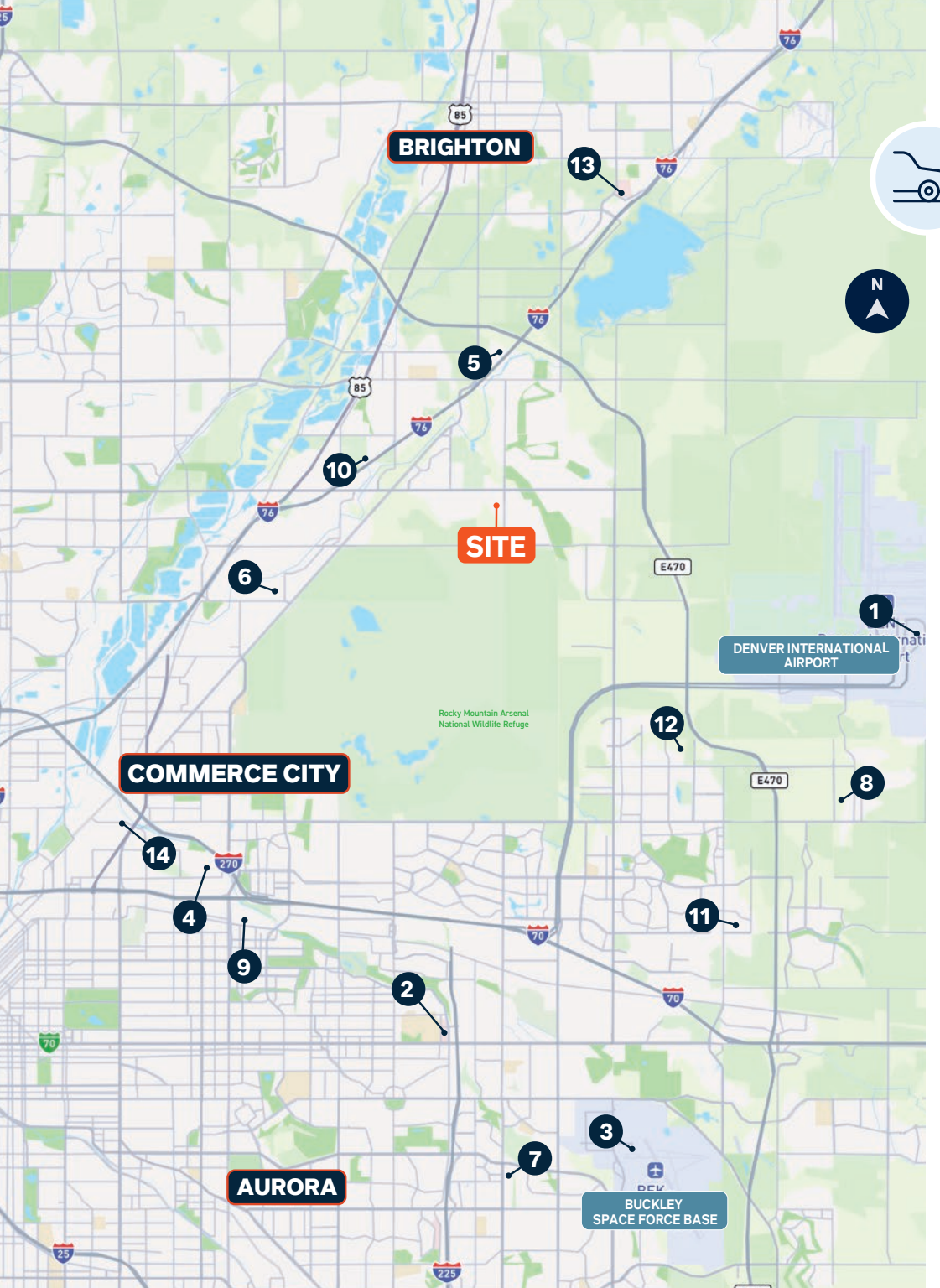
MARKET HIGHLIGHTS

- Comparable properties are currently achieving favorable demand with an average occupancy of 95%.
- Limited new apartment supply in the submarket, with no units delivered since 2022 and only two projects totaling 605 units currently under construction within a 5-mile radius of the subject site.
- As of Q2 2026, a significant affordability gap of $2,280 per month, based on the average home value within a 3-mile radius, creates barriers to homeownership and supports continued demand for rental housing, while single-family home values in Reunion increased 5.8% year-over-year as of May 2026, according to Redfin.
- Commerce City is home to 25 miles of trails, 840 acres of parkland, an award-winning golf course, and neighbors the expansive 15,000-acre Rocky Mountain Arsenal National Wildlife Refuge.
- Over 2,000 companies call Commerce City home, from major headquarters to small businesses, and the city is supporting continued job growth through incentives for qualifying employers that invest locally and meet hiring benchmarks.

SOURCES: ApartmentInsights, Esri, Redfin

Market Aerial

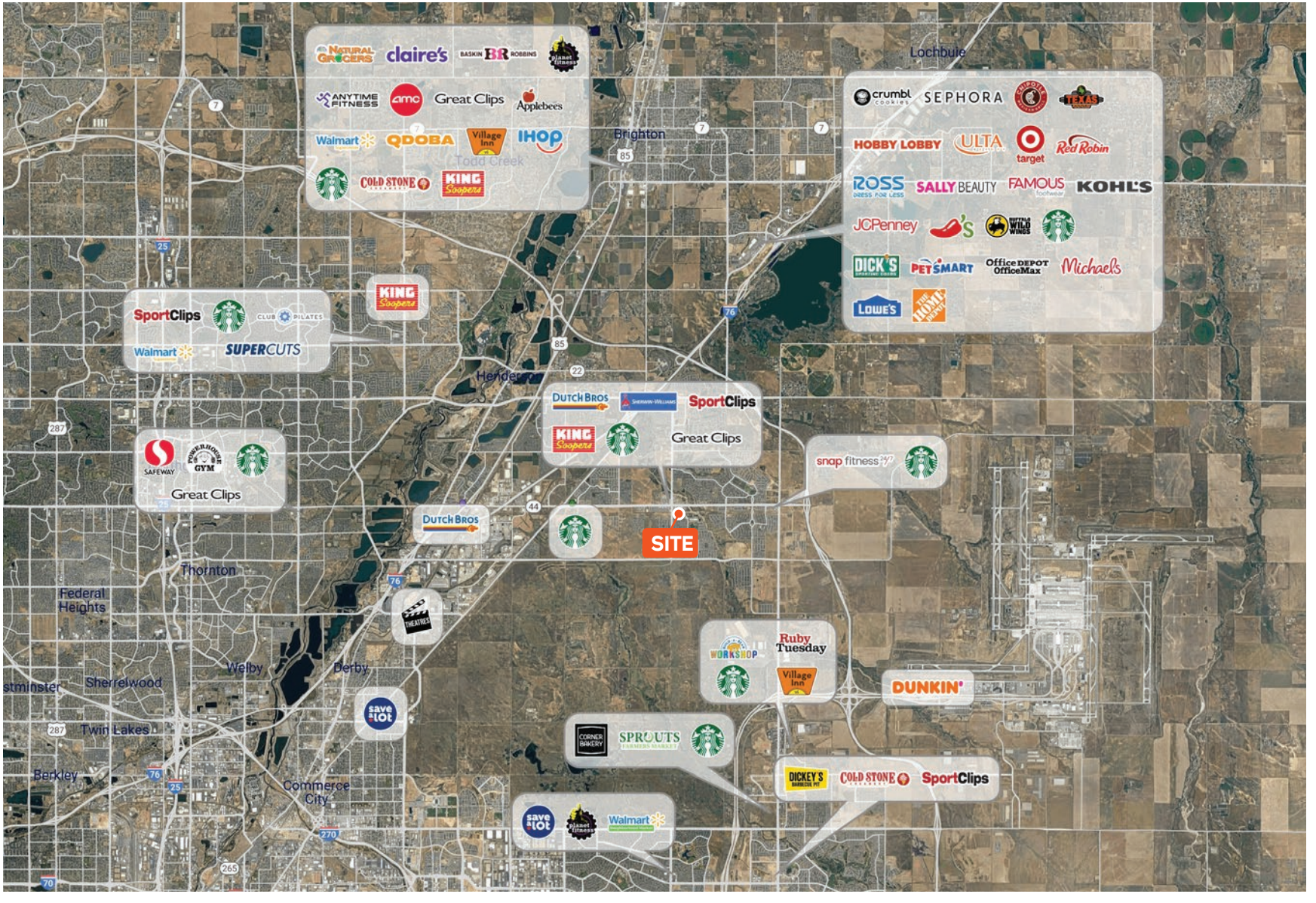




MAJOR EMPLOYERS

		# EMPLOYEES	DISTANCE
1	Denver International Airport	40,000	7.7 mi
2	CU Anschutz Medical Campus	15,000	9.8 mi
3	Buckley Space Force Base	12,000	12.6 mi
4	UPS	3,400	8.4 mi
5	Adams County Government Center	3,371	2.8 mi
6	FedEx	2,600	4.5 mi
7	Raytheon	2,500	11.6 mi
8	Kroger Fulfillment Center	1,900	8.1 mi
9	United Airlines Flight Training Center	1,600	9.5 mi
10	Sturgeon Electric	1,500	2.1 mi
11	Shamrock Foods	1,400	9.1 mi
12	Gaylord Rockies Resort & Convention Center	1,100	5.5 mi
13	Intermountain Health Platte Valley Hospital	750	6.1 mi
14	Suncor Energy	500	9.4 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
104	37%	One Bedroom One Bath	737	76,676	$1,808	$1,808	$2.45	$188,040
154	54%	Two Bedroom Two Bath	1,143	175,990	$2,294	$2,294	$2.01	$353,280
26	9%	Three Bedroom Two Bath	1,327	34,504	$2,693	$2,693	$2.03	$70,025
284	**100%**		**1,011**	**287,170**	**$2,153**	**$2,153**	**$2.13**	**$611,345**
	All Units at Market Rent		$7,336,140					
	Projected Rent Growth		$387,449					
Gross Potential Rent			**$7,723,589**					

Other Income	Annual Income	Monthly	Per Unit Per Month	%
Application/Administration Fees	$30,218	$2,518	$8.87	2.96%
Pet Deposit Fees & Rent	$29,820	$2,485	$8.75	2.92%
Short-Term/Month to Month Lease Fees	$34,080	$2,840	$10.00	3.34%
Detached Garages (107 units)	$188,550	$15,713	$55.33	18.47%
Reserved Parking Spaces	$12,960	$1,080	$3.80	1.27%
Water/Sewer Income	$111,629	$9,302	$32.75	10.93%
Late Fees	$14,569	$1,214	$4.27	1.43%
Lease Termination Fees	$73,374	$6,115	$21.53	7.19%
Miscellaneous Income	$3,600	$300	$1.06	0.35%
Damages/Cleaning/Security Deposit Forfeitures	$25,901	$2,158	$7.60	2.54%
Bundle Income (High Speed Internet, Smart Home Features, Valet Trash, Pest Control, Etc)	$326,861	$27,238	$95.91	32.02%
Fenced First Floor Units	$61,560	$5,130	$18.06	6.03%
Carport Income	$6,840	$570	$2.01	0.67%
Premium Units	$39,900	$3,325	$11.71	3.91%
Projected Other Income Growth	$60,996	$5,083	$17.90	5.97%
Total Other Income	**$1,020,858**	**$79,989**	**$299.55**	**100.00%**
Gross Potential Income (GPI)	**$8,744,448**			
Vacancy^	$386,179	5.00%		
Collections Loss (Bad Debt)	$38,618	0.50%		
Concessions	$77,236	1.00%		
Effective Gross Income (EGI)	**$8,242,415**	**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	$482,800	$1,700	$1.68	5.86%
Advertising and Marketing	$96,000	$338	$0.33	1.16%
Turnover Costs	$78,264	$276	$0.27	0.95%
Repairs & Maintenance / Contract Services	$184,600	$650	$0.64	2.24%
Utilities	$407,378	$1,434	$1.42	4.94%
EV Utilities	$2,700	$10	$0.01	0.03%
Administrative Expense*	$113,600	$400	$0.40	1.38%
Total Controllable Expenses	**$1,365,342**	**$4,808**	**$4.75**	**16.56%**
Property Taxes	$789,713	$2,781	$2.75	9.58%
Insurance*	$163,300	$575	$0.57	1.98%
Professional Management (3% of EGI)*	$247,272	$871	$0.86	3.00%
Reserves (Capital Improvements)	$42,600	$150	$0.15	0.52%
Total Non-Controllable Expenses	**$1,242,885**	**$4,376**	**$4.33**	**15.08%**
Projected Expense Growth	$78,877	$278	$0.27	0.96%
Total Expenses	**$2,687,104**	**$9,462**	**$9.36**	**32.60%**
Expenses Net of Taxes and Insurance	$1,734,091	$6,106	$6.04	21.04%
Net Operating Income	**$5,555,311**			
Value @ 5.55% **CAP RATE**	**$100,095,687**			
Value Per Unit	**$352,450**			
LTV	**55%**			
DEVELOPMENT YIELD	**6.86%**			

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Estimated Budget

Total Budget		
Land Cost		$6,250,000
Brokerage Commission		$187,500
Subtotal Land Cost		**$6,437,500**
Third Party Reports		$275,500
Appraisal		$10,000
Title/Closing Fees		$107,036
Loan Fees		$327,837
Internal Financing Fee*		$136,599
Miscellaneous Closing Costs		$25,000
Lender Inspection Fees		$45,000
Construction Admin/Owners Rep*		$1,416,581
Civil Engineering		$501,000
Architectural		$593,030
Permits/Impact Fees		$11,047,995
Construction Interest		$3,324,999
Pre Construction Interest		$175,000
Property Taxes		$492,197
Legal*		$75,000
Insurance*		$305,573
FFE/Startup Cost/Marketing		$2,500,956
Development Overhead*		$2,023,687
Soft Cost Contingency		$243,015
Subtotal Soft Cost		**$23,626,005**
Construction Costs*		$52,074,372
Contingency	3.50%	$1,822,603
Subtotal Hard Cost		**$53,896,975**
Targeted Budget Reduction		($3,013,000)
Total Development Budget		**$80,947,480**
Total Cost Per Unit		**$285,026**

Capital Stack		
Bank Loan To Cost	67.50%	$54,639,549
Required Equity	32.50%	$26,307,931
		$80,947,480

Projected Sale Analysis

Projected Sale Analysis		
Stabilized NOI	$	5,555,311
Projected Exit Cap Rate		5.55%
Sale Price	**$**	**100,095,687**
Sale Price Per Unit	**$**	**352,450**
Sale Price Per Sq. Ft.	**$**	**349**
Less Selling Expenses @ 1%	**$**	**(1,000,957)**
Net Sale Proceeds	$	99,094,731
Accumulated Cash	$	1,697,597
Equity Interest	$	38,583
Outstanding Mortgage	$	(54,639,549)
Cash Available for Distribution	**$**	**46,191,361**

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Bozeman, Montana

BOZEMAN MSA

PROPERTY 5

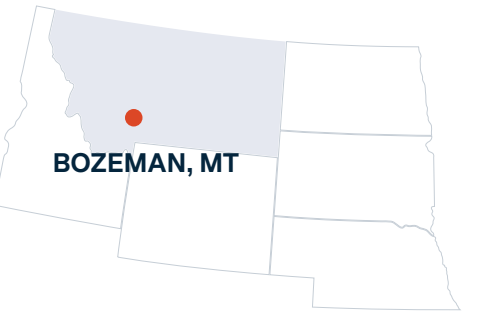
Located in one of the West's fastest-growing and most desirable markets, Bozeman presents a compelling opportunity to deliver new Class A multifamily housing amid strong population growth, expanding employment and a significant homeownership affordability gap. The 312-unit community is favorably positioned just 0.7 miles from I-90 and within one mile of a robust concentration of retail and dining, including Target, Costco, WinCo Foods, Bridger Peaks Town Center, and Stoneridge Square. The site also offers convenient access to major employment and economic drivers including Montana State University, Bozeman Health, Oracle, and Aurora, while the region's growing technology sector continues to diversify the local economy. Supported by median single-family home prices approaching $800,000, limited multifamily supply and exceptional access to Bozeman Yellowstone International Airport, Big Sky, and Yellowstone National Park, the site is well positioned to capture sustained renter demand driven by a magnetic live-work-play lifestyle.

UNITS
312 Units

TOTAL ACREAGE
16.49 Acres

PRODUCT TYPE
3-Story, Classic

TARGETED START
Q3 2027



Property Highlights

SITE HIGHLIGHTS

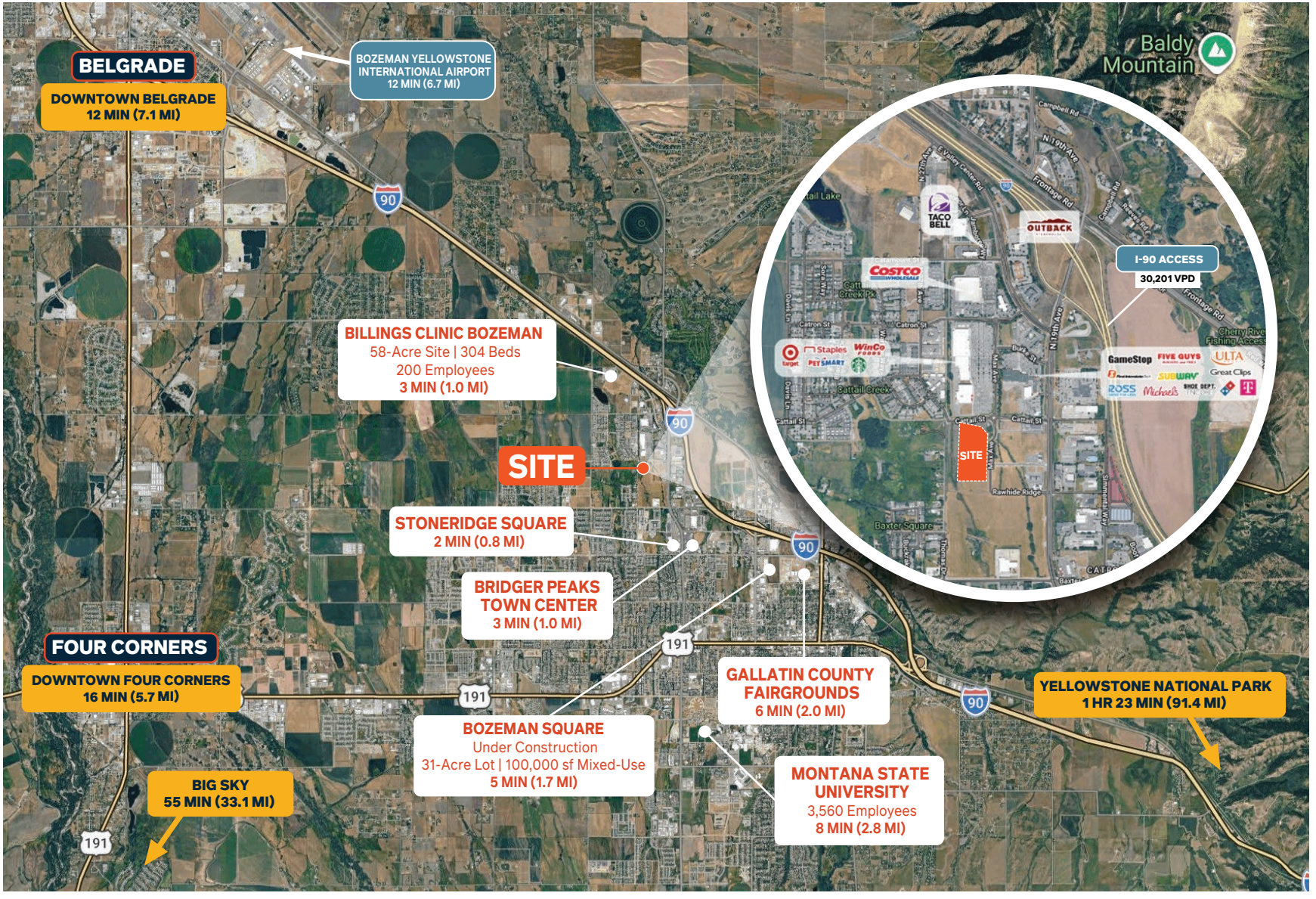
- The site benefits from strong regional connectivity and convenient access to Bozeman's primary employment centers, retail nodes, and lifestyle drivers, positioning future residents near Montana State University, Bozeman Health, Oracle, Aurora, and the area's leading shopping and recreation amenities.
- Bozeman is an emerging yet stable market - 2nd highest income growth in the U.S. since 2020 - 6th most educated population (63% have bachelor's degree or higher) - 11th lowest (out of 387 metros) unemployment rate in the U.S.
- Within a 1-mile radius of the site, demographics are robust:
  - Average Household Income: $139,500 per Esri
  - Average Home Value: $737,032 per Esri
- Major employers within a 5-mile radius:
  - Bozeman Public School District (1,136 Employees): 7 minutes, 2.3 miles
  - Aurora (800 Employees): 8 minutes, 2.6 miles
  - Montana State University (3,560 Employees): 8 minutes, 2.8 miles
  - Oracle (1,200 Employees): 10 minutes, 3.5 miles
  - Bozeman Health (2,800 Employees): 11 minutes, 3.6 miles

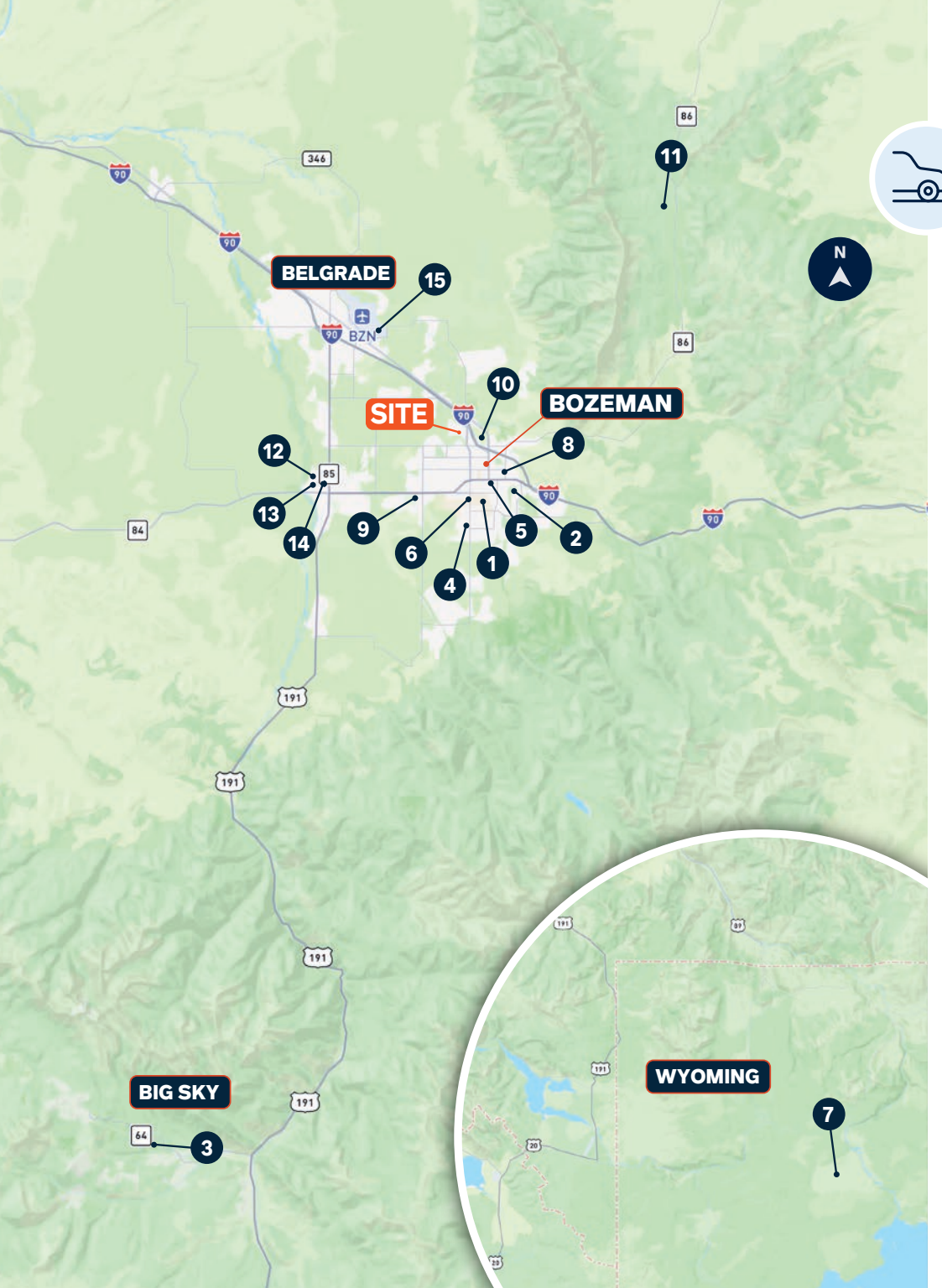
MARKET HIGHLIGHTS

- Bozeman has emerged as Montana's primary tech hub, contributing to a statewide tech sector that generates over $2.9 billion annually. Major companies such as Oracle, FICO, and Aurora have established operations in the area. The region is also home to several public companies, including Snowflake, as well as Xtant Medical and Bridger Aerospace in the greater Bozeman area.
- Montana State University's new Gianforte Hall is scheduled to open in 2026 following a $50 million gift. The three-story facility will house advanced programs in computing, robotics, cybersecurity, artificial intelligence, machine learning, and data science.
- Bozeman provides residents with easy access to a variety of outdoor activities and scenic beauty. Big Sky, MT, which attracts roughly 292,000 visitors each year, sits just 33.1 miles southwest of the site. Yellowstone National Park, which attracts roughly 4 million visitors each year, sits just 91.4 miles southeast of the site. Traffic at Bozeman Yellowstone International Airport (located 6.7 miles northwest of the site) is up 238% since 2009, with 1.3M+ projected enplanements.
- According to Colliers, Bozeman's market occupancy has increased from 93.2% at year-end 2025 to approximately 96.0% as of June 2026, while stabilized properties built from 2015–2025 are operating at approximately 97.9% occupancy.
- The median single-family home price in the MSA is approximately $758,000 (top 10 nationally), representing a 58% increase since 2020.
- Bozeman's average market rent in July 2026 was $2,256 according to RealPage. Bozeman has one of the largest affordability gaps in the NW region of the country.

SOURCES: Bozeman Yellowstone International Airport, Colliers, Esri, Montana State University, RealPage, Yellowstone National Park

Market Aerial





MAJOR EMPLOYERS

		# EMPLOYEES	DISTANCE
1	Montana State University	3,560	2.8 mi
2	Bozeman Health	2,800	3.6 mi
3	Big Sky Resort	1,900	33.1 mi
4	Oracle	1,200	3.5 mi
5	Bozeman Public School District	1,136	2.3 mi
6	Aurora	800	2.6 mi
7	Yellowstone National Park	780	91.4 mi
8	City of Bozeman	500	2.5 mi
9	Ressler Motors	445	3.7 mi
10	Murdoch's Home and Ranch Supply	250	1.1 mi
11	Bridger Bowl	250	11.5 mi
12	Mesa Labs	243	6.3 mi
13	Zoot	239	6.5 mi
14	Simms Fishing Products	170	5.9 mi
15	Bridger Aerospace	148	5.6 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**
120	38%	One Bedroom One Bath	730	87,560	$2,036	$2,036	$2.79	$244,280
156	50%	Two Bedroom Two Bath	1,136	177,272	$2,511	$2,511	$2.21	$391,700
36	12%	Three Bedroom Two Bath	1,314	47,304	$3,148	$3,148	$2.40	$113,310
312	**100%**		**1,000**	**312,136**	**$2,402**	**$2,402**	**$2.40**	**$749,290**
	All Units at Market Rent		$8,991,480					
	Projected Rent Growth		$607,298					
Gross Potential Rent			**$9,598,778**					

Other Income	**Annual Income**	**Monthly**	**Per Unit Per Month**	**%**
Application/Administration Fees	$38,176	$3,181	$10.20	2.33%
Pet Deposit Fees & Rent	$70,200	$5,850	$18.75	4.28%
Short-Term/Month to Month Lease Fees	$37,440	$3,120	$10.00	2.28%
Detached Garages (77 units)	$175,560	$14,630	$46.89	10.70%
Water/Sewer Income	$136,048	$11,337	$36.34	8.29%
Late Fees	$16,006	$1,334	$4.28	0.98%
Lease Termination Fees	$89,931	$7,494	$24.02	5.48%
Miscellaneous Income	$3,600	$300	$0.96	0.22%
Damages/Cleaning/Security Deposit Forfeitures	$28,454	$2,371	$7.60	1.73%
Bundle Income (High Speed Internet, Smart Home Features, Valet Trash, Pest Control, Etc)	$622,440	$51,870	$166.25	37.93%
Fenced First Floor Units	$75,240	$6,270	$20.10	4.58%
Carport Income	$194,940	$16,245	$52.07	11.88%
Premium Units	$46,200	$3,850	$12.34	2.82%
Projected Other Income Growth	$106,887	$8,907	$28.55	6.51%
Total Other Income	**$1,641,122**	**$127,853**	**$438.33**	**100.00%**
Gross Potential Income (GPI)	**$11,239,900**			
Vacancy^	$479,939	5.00%		
Collections Loss (Bad Debt)	$47,994	0.50%		
Concessions	$95,988	1.00%		
Effective Gross Income (EGI)	**$10,615,979**	**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	$530,400	$1,700	$1.70	5.00%
Advertising and Marketing	$96,000	$308	$0.31	0.90%
Turnover Costs	$85,980	$276	$0.28	0.81%
Repairs & Maintenance / Contract Services	$218,400	$700	$0.70	2.06%
Utilities	$421,090	$1,350	$1.35	3.97%
Administrative Expense*	$124,800	$400	$0.40	1.18%
Total Controllable Expenses	**$1,476,670**	**$4,733**	**$4.73**	**13.91%**
Property Taxes	$598,910	$1,920	$1.92	5.64%
Insurance*	$202,800	$650	$0.65	1.91%
HOA	$18,000	$58	$0.06	0.17%
Professional Management (3% of EGI)*	$318,479	$1,021	$1.02	3.00%
Reserves (Capital Improvements)	$46,800	$150	$0.15	0.44%
Total Non-Controllable Expenses	**$1,184,989**	**$3,798**	**$3.80**	**11.16%**
Projected Expense Growth	$132,734	$425	$0.43	1.25%
Total Expenses	**$2,794,393**	**$8,956**	**$8.95**	**26.32%**
Expenses Net of Taxes and Insurance	$1,992,683	$6,387	$6.38	18.77%
Net Operating Income	**$7,821,586**			
Value @ 5.70% CAP RATE	**$137,341,285**			
Value Per Unit	**$440,196**			
LTV	**53%**			
DEVELOPMENT YIELD	**7.27%**			

*Includes related party services, fees and affiliated transactions described on page 17 of this Memorandum and permitted under the Limited Partnership Agreement. See ***Factoring the Risk - Related Party Transactions, Fees and Expenses and - Related Party Transactions with Thompson Thrift***.

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. The "Targeted Budget Reduction" line item reflects the aggregate adjustments to the Estimated Budget that the General Partner currently anticipates may be achieved through increased operational efficiencies, economies of scale, value engineering, and/or future negotiations with others, including service providers and the land sellers. No representation or warranty is made, and no assurance can be given, that the Targeted Budget Reduction, in whole or in part, will be realized, and actual results may differ materially from those reflected herein. Prospective Limited Partners should carefully review ***Factoring the Risk – Risks Related to Forecasts*** for a discussion of additional risks associated with the Estimated Budget.

Estimated Budget

Total Budget		
Land Cost		$18,000,000
Brokerage Commission		$135,000
Subtotal Land Cost		**$18,135,000**
Geotechnical and Materials Testing		$208,000
Ecological/Archeological		$38,015
Environmental Reports		$12,975
Survey		$70,600
Miscellaneous Due Diligence		$3,000
Appraisal		$10,000
Title/Closing Fees		$202,429
Loan Fees		$435,475
Internal Financing Fee*		$181,448
Miscellaneous Closing Costs		$25,000
Lender Inspection Fees		$45,000
Construction Admin/Owners Rep*		$1,881,681
Civil Engineering		$334,600
Architectural		$654,230
Permits/Impact Fees		$4,815,072
Construction Interest		$4,426,712
Pre Construction Interest		$150,000
Property Taxes		$767,261
Legal*		$95,000
Insurance*		$424,609
FFE/Startup Cost/Marketing		$2,665,933
Development Overhead*		$2,688,115
Soft Cost Contingency		$274,333
Subtotal Soft Cost		**$20,409,487**
Construction Costs*		$69,925,724
Contingency	3.50%	$2,447,400
Subtotal Hard Cost		**$72,373,124**
Targeted Budget Reduction		($3,393,000)
Total Development Budget		**$107,524,612**
Total Cost Per Unit		**$344,630**

Capital Stack		
Bank Loan To Cost	67.50%	$72,579,113
Required Equity	32.50%	$34,945,499
		$107,524,612

Projected Sale Analysis

Projected Sale Analysis		
Stabilized NOI	$	7,821,586
Projected Exit Cap Rate		5.70%
Sale Price	**$**	**137,341,285**
Sale Price Per Unit	**$**	**440,196**
Sale Price Per Sq. Ft.	**$**	**440**
Less Selling Expenses @ 1%	**$**	**(1,373,413)**
Net Sale Proceeds	$	135,967,872
Accumulated Cash	$	2,313,380
Equity Interest	$	50,142
Outstanding Mortgage	$	(72,579,113)
Cash Available for Distribution	**$**	**65,752,280**

*Includes related party services, fees and affiliated transactions described on page 17 of this Memorandum and permitted under the Limited Partnership Agreement. See ***Factoring the Risk - Related Party Transactions, Fees and Expenses and - Related Party Transactions with Thompson Thrift***.

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. The "Targeted Budget Reduction" line item reflects the aggregate adjustments to the Estimated Budget that the General Partner currently anticipates may be achieved through increased operational efficiencies, economies of scale, value engineering, and/or future negotiations with others, including service providers and the land sellers. No representation or warranty is made, and no assurance can be given, that the Targeted Budget Reduction, in whole or in part, will be realized, and actual results may differ materially from those reflected herein. Prospective Limited Partners should carefully review ***Factoring the Risk – Risks Related to Forecasts*** for a discussion of additional risks associated with the Estimated Budget.



Surprise, Arizona

PHOENIX MSA

PROPERTY 6

Located within the emerging Asante master-planned community in Surprise, Arizona, just north of Loop 303 and U.S. 60, the site offers premier connectivity throughout the rapidly expanding Northwest Phoenix Valley. With frontage along 163rd Avenue (12,588 VPD) and proximity to U.S. 60 (22,605 VPD), the property benefits from strong visibility and convenient regional access, positioned approximately 16 miles north of I-10 and 17 miles west of I-17. The 90-acre former nursery is being transformed into a thoughtfully designed mixed-use community featuring walkable, high-end retail along 163rd Avenue and new single-family residential surrounding the multifamily site, creating a cohesive live-work-play setting. Supported by its location along the high-growth Loop 303 corridor near major employers such as TSMC, Amkor, Hyperion, and BNSF, the site is well positioned to benefit from continued high-tech job creation, infrastructure investment, and sustained residential demand in the Northwest Valley.

UNITS
312 Units

TOTAL ACREAGE
13.3 Acres

PRODUCT TYPE
3-Story, Classic

TARGETED START
Q3 2027



Property Highlights

SITE HIGHLIGHTS

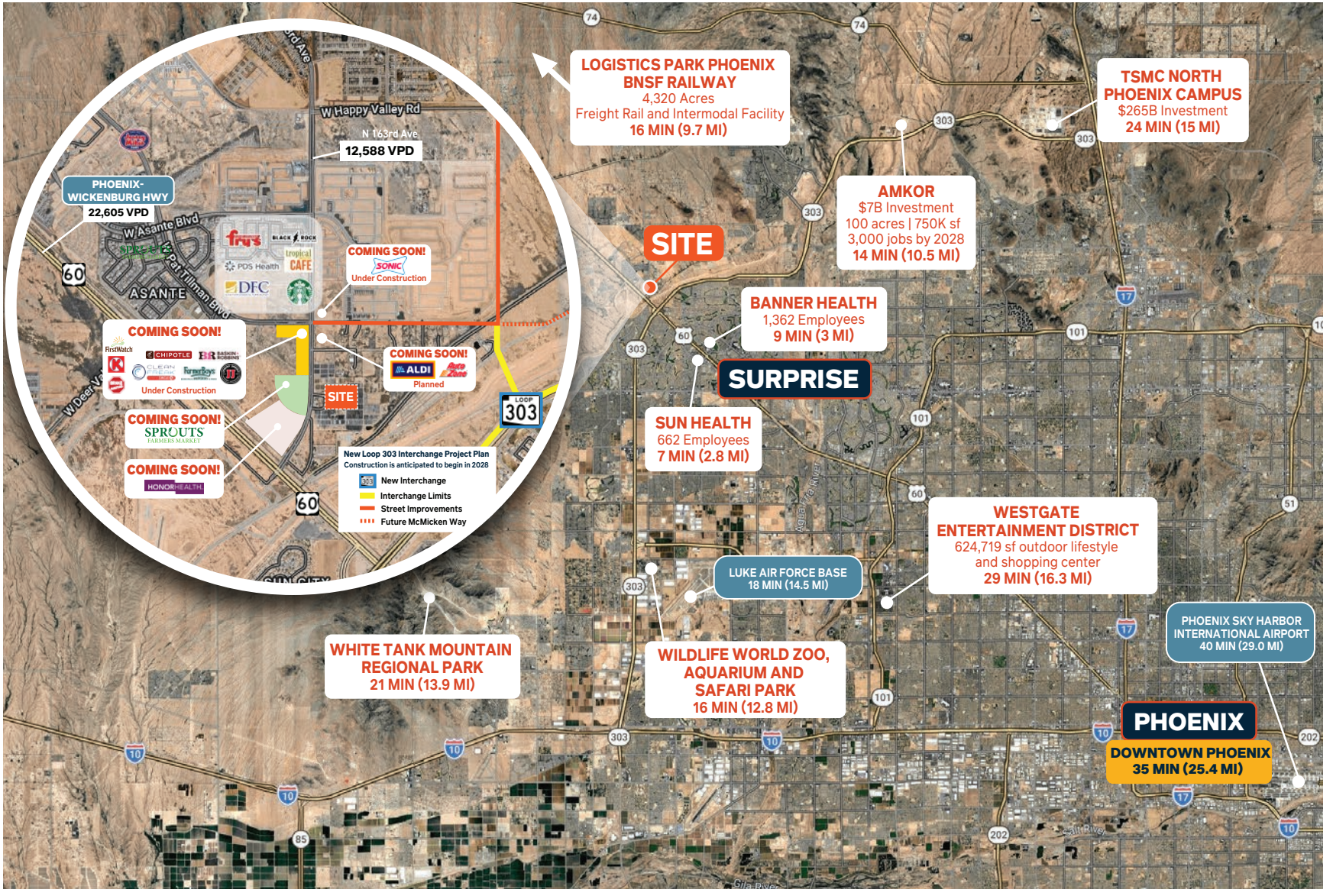
- Located within the emerging Asante master-planned community in Surprise, Arizona, the site is positioned just north of Loop 303 and U.S. 60, with convenient connections to I-10 (16 miles) and I-17 (17 miles), providing access to major employment centers and more than 10,000 jobs within approximately 15 minutes in either direction throughout the rapidly expanding Northwest Phoenix Valley.
- The 90-acre former nursery will be redeveloped as a mixed-use community featuring walkable retail frontage along 163rd Avenue and single-family residential planned to the south and east of our planned multifamily site, creating an accessible, connected layout for future residents and the surrounding community.
    - 13.3 acres - Thompson Thrift Development Opportunity
    - 63.4 acres - Single Family For-Sale Development
    - 6.3 acres - Retail Development
- The surrounding area is rapidly expanding with retail, dining, and service options:
    - Existing: Fry's Grocery Store and multiple outparcels are located just northwest at the hard corner of 163rd Ave and Pat Tillman Blvd.
    - Under Construction: Situated directly west of our site, Chipotle, Burger Shop, Jimmy John's, and First Watch are all underway and expected to open mid-2027.
    - Planned: Aldi and AutoZone (0.1 miles north), HonorHealth Care (0.3 miles west) and Sprouts (0.2 miles west), creating a dynamic mixed-use corridor.

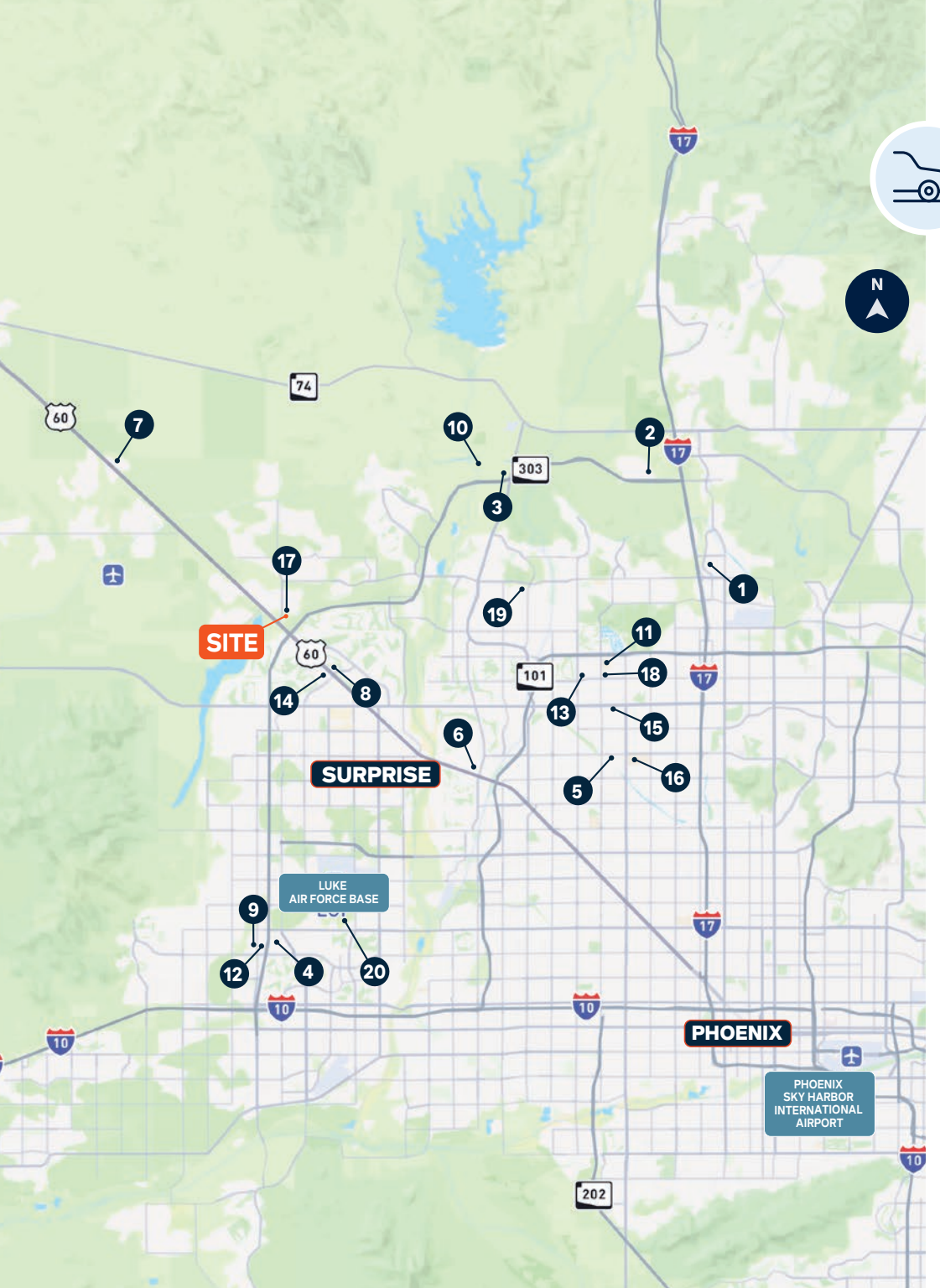
MARKET HIGHLIGHTS

- The Northwest Phoenix Valley, anchored by the cities of Surprise, Peoria, and Glendale, is among the fastest growing submarkets in the metro area. Asante (ZIP Code 85387) grew at a 15.1% annualized rate from 2020-2026 driven by a surge in high-tech manufacturing and logistics employers.
- In July 2026, TSMC announced an additional $100 billion Arizona investment, bringing its total commitment to $265 billion and further establishing North Phoenix as a long-term advanced manufacturing hub.
- Surprise is experiencing substantial population growth, with new master-planned communities such as Asante contributing to the city's transformation from a suburban enclave into a major residential and commercial hub.
- Average household income in the site's ZIP code is approximately $147,000, exceeding the Phoenix MSA average of approximately $135,000 and supporting consumer spending. The area also benefits from a diverse employment base spanning advanced manufacturing, healthcare, logistics, and education, including major employers such as TSMC, Amkor, Hyperion, BNSF, HonorHealth, and nearby educational institutions.
- The retail trade area continues to evolve, with national tenants recognizing the long-term potential of Surprise as part of the Phoenix MSA's western expansion.
- As development continues along Loop 303, the Asante area will serve as a key connector between established urban employment zones and the emerging residential markets to the northwest.

SOURCES: Esri, RealPage, TSMC

Market Aerial





MAJOR EMPLOYERS

		# EMPLOYEES	DISTANCE
1	USAA	3,275	17.0 mi
2	TSMC	3,000*	15.0 mi
3	Amkor	3,000*	10.5 mi
4	UPS	2,399	13.1 mi
5	Banner Health - Thunderbird Medical Center	2,277	14.1 mi
6	Banner Health - Boswell Medical Center	1,505	9.3 mi
7	BNSF Railway	1,500*	9.7 mi
8	Banner Health - Sun City West	1,362	3.0 mi
9	Amazon	1,010	13.3 mi
10	Hyperion	1,000*	10.5 mi
11	Midwestern University	974	13.0 mi
12	Subzero Freezer Co	839	13.4 mi
13	Abrazo Healthcare	803	11.9 mi
14	Sun Health	662	2.8 mi
15	AAA	633	13.6 mi
16	Arizona State University	525	15.1 mi
17	HonorHealth Care	500*	0.4 mi
18	Honeywell	459	12.9 mi
19	Taronis Fuels	400	9.7 mi
20	FedEx	311	12.0 mi

*Reflects future employee count.

Nearby Retail



Site Plan


W PLANADA LANE
N 163RD AVENUE
BEARDSLEY CANAL
OWNER: MORGAN CAREY
OWNER: FRONSMAN
OWNER: FRONSMAN
OWNER: ARREOLA
OWNER: BARCLAY SURPRISE
Future Retail (Not a part)
POTENTIAL C2
2.29± AC
Future Single Family (Not a part)
R3 ZONING
6.15± AC
Future Retail (Not a part)
R3 ZONING
C-2 POTENTIAL
4.01± AC
Future Retail (Not a part)
DOG PARK
Master-planned Community (Not a part)

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	38%	One Bedroom One Bath	730	87,560	$1,627	$1,627	$2.23	$195,220
156	50%	Two Bedroom Two Bath	1,136	177,272	$2,044	$2,044	$1.80	$318,900
36	12%	Three Bedroom Two Bath	1,314	47,304	$2,413	$2,413	$1.84	$86,850
312	**100%**		**1,000**	**312,136**	**$1,926**	**$1,926**	**$1.93**	**$600,970**
	All Units at Market Rent		$7,211,640					
	Projected Rent Growth		$557,495					
Gross Potential Rent			**$7,769,135**					

Other Income	Annual Income	Monthly	Per Unit Per Month	%
Application/Administration Fees	$38,176	$3,181	$10.20	2.69%
Pet Deposit Fees & Rent	$66,300	$5,525	$17.71	4.67%
Short-Term/Month to Month Lease Fees	$37,440	$3,120	$10.00	2.64%
Detached Garages (96 units)	$167,940	$13,995	$44.86	11.83%
Reserved Parking Spaces	$12,960	$1,080	$3.46	0.91%
Water/Sewer Income	$136,048	$11,337	$36.34	9.58%
Late Fees	$16,006	$1,334	$4.28	1.13%
Lease Termination Fees	$72,109	$6,009	$19.26	5.08%
Miscellaneous Income	$3,600	$300	$0.96	0.25%
Damages/Cleaning/Security Deposit Forfeitures	$28,454	$2,371	$7.60	2.00%
Bundle Income	$533,520	$44,460	$142.50	37.58%
Fenced First Floor Units	$70,110	$5,843	$18.73	4.94%
Carport Income	$98,496	$8,208	$26.31	6.94%
Premium Units	$46,200	$3,850	$12.34	3.25%
Projected Other Income Growth	$92,351	$7,696	$24.67	6.50%
Total Other Income	**$1,419,710**	**$110,613**	**$379.20**	**100.00%**
Gross Potential Income (GPI)	**$9,188,845**			
Vacancy^	$388,457	5.00%		
Collections Loss (Bad Debt)	$38,846	0.50%		
Concessions	$77,691	1.00%		
Effective Gross Income (EGI)	**$8,683,851**	**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	$499,200	$1,600	$1.60	5.75%
Advertising and Marketing	$96,000	$308	$0.31	1.11%
Turnover Costs	$85,980	$276	$0.28	0.99%
Repairs & Maintenance / Contract Services	$202,800	$650	$0.65	2.34%
Utilities	$421,243	$1,350	$1.35	4.85%
Administrative Expense*	$124,800	$400	$0.40	1.44%
Total Controllable Expenses	**$1,430,023**	**$4,583**	**$4.58**	**16.47%**
Property Taxes	$426,237	$1,366	$1.37	4.91%
Insurance*	$156,000	$500	$0.50	1.80%
Professional Management (3% of EGI)*	$260,516	$835	$0.83	3.00%
Reserves (Capital Improvements)	$46,800	$150	$0.15	0.54%
Total Non-Controllable Expenses	**$889,553**	**$2,851**	**$2.85**	**10.24%**
Projected Expense Growth	$125,549	$402	$0.40	1.45%
Total Expenses	**$2,445,125**	**$7,837**	**$7.83**	**28.16%**
Expenses Net of Taxes and Insurance	$1,862,888	$5,971	$5.97	21.45%
Net Operating Income	**$6,238,726**			
Value @ 5.43% CAP RATE	**$114,999,561**			
Value Per Unit	**$368,588**			
LTV	**51%**			
DEVELOPMENT YIELD	**7.15%**			

*Includes related party services, fees and affiliated transactions described on page 17 of this Memorandum and permitted under the Limited Partnership Agreement. See ***Factoring the Risk - Related Party Transactions, Fees and Expenses and - Related Party Transactions with Thompson Thrift***.

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. The "Targeted Budget Reduction" line item reflects the aggregate adjustments to the Estimated Budget that the General Partner currently anticipates may be achieved through increased operational efficiencies, economies of scale, value engineering, and/or future negotiations with others, including service providers and the land sellers. No representation or warranty is made, and no assurance can be given, that the Targeted Budget Reduction, in whole or in part, will be realized, and actual results may differ materially from those reflected herein. Prospective Limited Partners should carefully review ***Factoring the Risk – Risks Related to Forecasts*** for a discussion of additional risks associated with the Estimated Budget.

Estimated Budget

Total Budget		
Land Cost		$9,847,726
Brokerage Commission		$75,000
Subtotal Land Cost		**$9,922,726**
Geotechnical and Materials Testing		$180,000
Ecological/Archeological		$4,000
Environmental Reports		$6,000
Survey		$75,000
Traffic Study		$11,800
Miscellaneous Due Diligence		$2,000
Appraisal		$10,000
Title/Closing Fees		$71,881
Loan Fees		$353,186
Internal Financing Fee*		$147,161
Miscellaneous Closing Costs		$35,000
Lender Inspection Fees		$45,000
Construction Admin/Owners Rep*		$1,526,111
Civil Engineering		$490,000
Architectural		$529,064
Permits/Impact Fees		$4,039,745
Construction Interest		$3,436,545
Pre Construction Interest		$75,000
Property Taxes		$313,217
Legal*		$125,000
Insurance*		$353,937
FFE/Startup Cost/Marketing		$2,583,234
Development Overhead*		$2,180,159
Soft Cost Contingency		$237,657
Subtotal Soft Cost		**$16,830,696**
Construction Costs*		$60,340,999
Contingency	3.50%	$2,111,935
Subtotal Hard Cost		**$62,452,934**
Targeted Budget Reduction		($2,000,000)
Total Development Budget		**$87,206,357**
Total Cost Per Unit		**$279,508**

Capital Stack		
Bank Loan To Cost	67.50%	$58,864,291
Required Equity**	32.50%	$28,342,066
		$87,206,357

Projected Sale Analysis

Projected Sale Analysis		
Stabilized NOI	$	6,238,726
Projected Exit Cap Rate		5.43%
Sale Price	**$**	**114,999,561**
Sale Price Per Unit	**$**	**368,588**
Sale Price Per Sq. Ft.	**$**	**368**
Less Selling Expenses @ 1%	**$**	**(1,149,996)**
Speculative Builders Tax	**$**	**(1,325,370)**
Net Sale Proceeds	$	112,524,195
Accumulated Cash	$	2,142,255
Equity Interest	$	71,638
Outstanding Mortgage	$	(58,864,291)
Cash Available for Distribution	**$**	**55,873,798**

*Includes related party services, fees and affiliated transactions described on page 17 of this Memorandum and permitted under the Limited Partnership Agreement. See ***Factoring the Risk - Related Party Transactions, Fees and Expenses and - Related Party Transactions with Thompson Thrift***.

**Estimated Capital Contribution on page 15 includes Partnership Expenses (including development costs and Asset Management Fees).

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. The "Targeted Budget Reduction" line item reflects the aggregate adjustments to the Estimated Budget that the General Partner currently anticipates may be achieved through increased operational efficiencies, economies of scale, value engineering, and/or future negotiations with others, including service providers and the land sellers. No representation or warranty is made, and no assurance can be given, that the Targeted Budget Reduction, in whole or in part, will be realized, and actual results may differ materially from those reflected herein. Prospective Limited Partners should carefully review ***Factoring the Risk – Risks Related to Forecasts*** for a discussion of additional risks associated with the Estimated Budget.



Exhibits

THOMPSON THRIFT 2027 MULTIFAMILY DEVELOPMENT, LP

Valuation Policy

Thompson Thrift 2027 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.

THOMPSON THRIFT 2027 MULTIFAMILY DEVELOPMENT, LP

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, 2027, and may be amended by the General Partner in the future subject to prior approval of the Advisory Committee.

THOMPSON THRIFT 2027 MULTIFAMILY DEVELOPMENT, LP

Transfer Policy

Thompson Thrift 2027 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.

THOMPSON THRIFT 2027 MULTIFAMILY DEVELOPMENT, LP

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, 2027, 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 or 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.

Conflicts of Service Providers as Limited Partners. Certain contractors, subcontractors, vendors, developers, or other service providers to Thompson Thrift, the Partnership, or a Real Estate Development could be, or may become, Limited Partners or equity partners in other Thompson Thrift-sponsored real estate developments. This relationship may create actual or potential conflicts of interest, or the appearance of conflicts, in connection with the selection, retention, pricing, scope of work, payment, evaluation, and oversight of such service providers. Thompson Thrift personnel could have an incentive, or could be perceived to have an incentive, to favor such providers, including by selecting a higher-priced or less favorable proposal, awarding additional work, approving change orders, overlooking performance issues, or treating the service provider more favorably in order to maintain or increase equity participation. Conversely, a service provider could feel pressure to contribute capital, maintain an equity stake, or accept unfavorable project decisions in order to preserve or obtain business. These circumstances could result in higher costs, inferior performance, construction delays, reduced returns, litigation, regulatory scrutiny, or reputational harm. Although Thompson Thrift seeks to manage these potential conflicts through its procurement, approval and disclosure procedures, there can be no assurance that any conflict will be resolved in favor of the Partnership or that those procedures will be effective.

Resolutions of Conflicts. Any conflicts of interest that arise between the Partnership or particular Limited Partners, on the one hand, and the GP, Thompson Thrift or their respective Affiliates, on the other hand, may be referred by the GP to the Advisory Committee for consultation. In consultation with the Advisory Committee, the GP may act as it deems necessary or appropriate to ameliorate the conflict. Upon referring the matter to the Advisory Committee and following

the advice thereof, the GP, Thompson Thrift and/or the Affiliate will be absolved of any responsibility for the conflict. Limited Partners should be aware that conflicts will not necessarily be resolved in favor of the interests of the Partnership or any affected Limited Partner. The Partnership Agreement provides that, to the fullest extent permitted by law, none of the members of the Advisory Committee shall owe any duties (fiduciary or otherwise) to any other Limited Partner in respect of the activities of the Advisory Committee, other than acts or omissions that constitute bad faith.

II. RELATED PARTY TRANSACTIONS, FEES AND EXPENSES

Transfer to Transfer Holdco. After stabilization of a Real Estate Development, the GP could elect to transfer such Real Estate Development 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 Real Estate Development as determined by a Qualified Valuation Firm (such purchase price, 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 $8,000 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 $8,000 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 and paralegals (not to exceed $600 per hour) attributable to the Partnership and/or the acquisition, development, operation 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 may 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.

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 Distribution. 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.

GP Removal. Pursuant to and in accordance with the terms of the Partnership Agreement, the GP may be removed and a replacement general partner of the Partnership may be appointed (in which case, the GP will cease to be involved in the management and control of the business of the Partnership), the ability of the Partnership to acquire and develop Properties may be terminated earlier than anticipated and/or the Partnership may be dissolved earlier than anticipated. In each case, the Partnership's ability to acquire and develop Properties, manage Real Estate Developments or otherwise achieve its objectives is likely to be negatively affected. In the case of early dissolution, the Partnership may be required to dispose of assets at a disadvantageous time and/or make in-kind distributions, resulting in Limited Partners not having their capital invested and/or deployed in the manner originally contemplated.

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. The Partnership Agreement requires Limited Partners to keep confidential, and not to make any use of (other than for purposes reasonably related to their equity interest in the Partnership or for purposes of tax filings or as otherwise required by law) or disclose to any person, information about the Partnership and Real Estate Developments. Limited Partners are entitled to quarterly reports and annual K-1s provided by the General Partner. Limited Partners may inspect books and accounts maintained for the Partnership, as determined by the General Partner in its discretion, except that Limited Partners have no right to obtain a list of other Limited Partners.

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.

Limited Recourse Against the GP and Thompson Thrift. The Partnership's governing documents limit the circumstances under which the GP, Thompson Thrift, and their respective Affiliates, including their officers, directors, partners, employees, shareholders, members,

and other agents, can be held liable to the Partnership and the Limited Partners. As a result, investors may have a more limited right of action in certain cases than they would have in the absence of such a limitation.

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 has secured an umbrella credit facility (the "Credit Facility") on behalf of multiple real estate partnerships sponsored by Thompson Thrift, including the Partnership. Any draw down under the Credit Facility will be secured by uncalled Capital Commitments.

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 a 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 (i.e., catastrophic events that include fires, floods and

earthquakes) 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.***

Refinancing Risk in a Rising Interest Rate Environment. The Partnership's Real Estate Developments will be subject to existing debt financing arrangements which mature or require refinancing during the term of the Partnership. In a rising interest rate environment, the cost of refinancing such indebtedness may be significantly higher than the interest rates applicable to the original financing. There can be no assurance that refinancing will be available on commercially reasonable terms, or at all, at the time such indebtedness matures or otherwise becomes due. If interest rates have increased at the time an asset's indebtedness requires refinancing, refinancing may result in substantially higher borrowing costs, which would reduce the cash flow available from such asset and could materially diminish the value of the Real Estate Development. Higher interest rates may also reduce the availability of debt financing in the market generally, as lenders may tighten underwriting standards or reduce lending capacity in response to increased borrowing costs and broader macroeconomic uncertainty.

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. There can be no assurance that the government will be able to exercise effective control over inflation rates or that a high rate of inflation will not have a materially adverse effect on the Partnership or its Real Estate Developments.

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.

Force Majeure Events. Properties and Real Estate Developments held by the Partnership may be subject to catastrophic events and other force majeure events. Force majeure events are unforeseen events and events outside the reasonable control of the GP when it established the development budget for each Real Estate Development, such as (i) environmental or geotechnical issues undiscovered during any prudent, customary and industry standard due diligence review of such issues, (ii) acts of God, (iii) flood, fire, earthquake or explosion, (iv) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest, (v) changes in applicable laws, (vi) actions, embargoes, blockades or supply chain disruptions that occur after construction begins on a Real Estate Development, (vii) epidemics or pandemics, including COVID-19, (viii) action (or failure to act) by any governmental authority or other legal requirements, including those relating to epidemics or pandemics and related restrictions on essential or nonessential business operations, closing of governmental offices required to grant permits or zoning variances or provide inspections or other necessary approvals, delays or prohibition on importation of construction materials, restrictions on employment of qualified construction workers, or similar actions, (ix) national, regional, state or local emergency or declaration of emergency, and (x) lack of access to qualified work force due to strikes, labor stoppages, slowdowns, labor shortages due to epidemics or pandemics, or industrial disturbances. These events could result in the partial or total loss of a Partnership asset or significant down time resulting in lost revenues, among other potentially detrimental effects. Some force majeure risks are generally uninsurable and, in some cases, investment project agreements can be terminated if the force majeure

event is so catastrophic that it cannot be remedied within a reasonable time period.

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 have heightened significantly and geopolitical instability has increased. 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 (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 $150,000 for filers of joint returns and $75,000 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.

Excess Business Loss Limitations. In addition to the limitations described above, "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.

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. Miscellaneous itemized deductions are now permanently disallowed, 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.

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. Interest is increased by 2% for underpayments pushed out pursuant to an election under Section 6226 of the Code. 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 will 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 Limited Partners 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 LIMITED PARTNERS 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.

Estimated Budgets include a "Targeted Budget Reduction" line item that reflects the aggregate adjustments that the GP currently anticipates may be achieved through increased operational efficiencies, economies of scale, value engineering, and/or future negotiations with others, including service providers and the land sellers. No representation or warranty is made, and no assurance can be given, that the Targeted Budget Reduction, in whole or in part, will be realized, and actual results may differ materially from those reflected in the Estimated Budgets.



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