Project Supplement No. 7

(Dated November 25, 2020)
to the Confidential Private Placement Memorandum
of TEI Diversified Income & Opportunity Fund V, LLC,
dated January 1, 2020

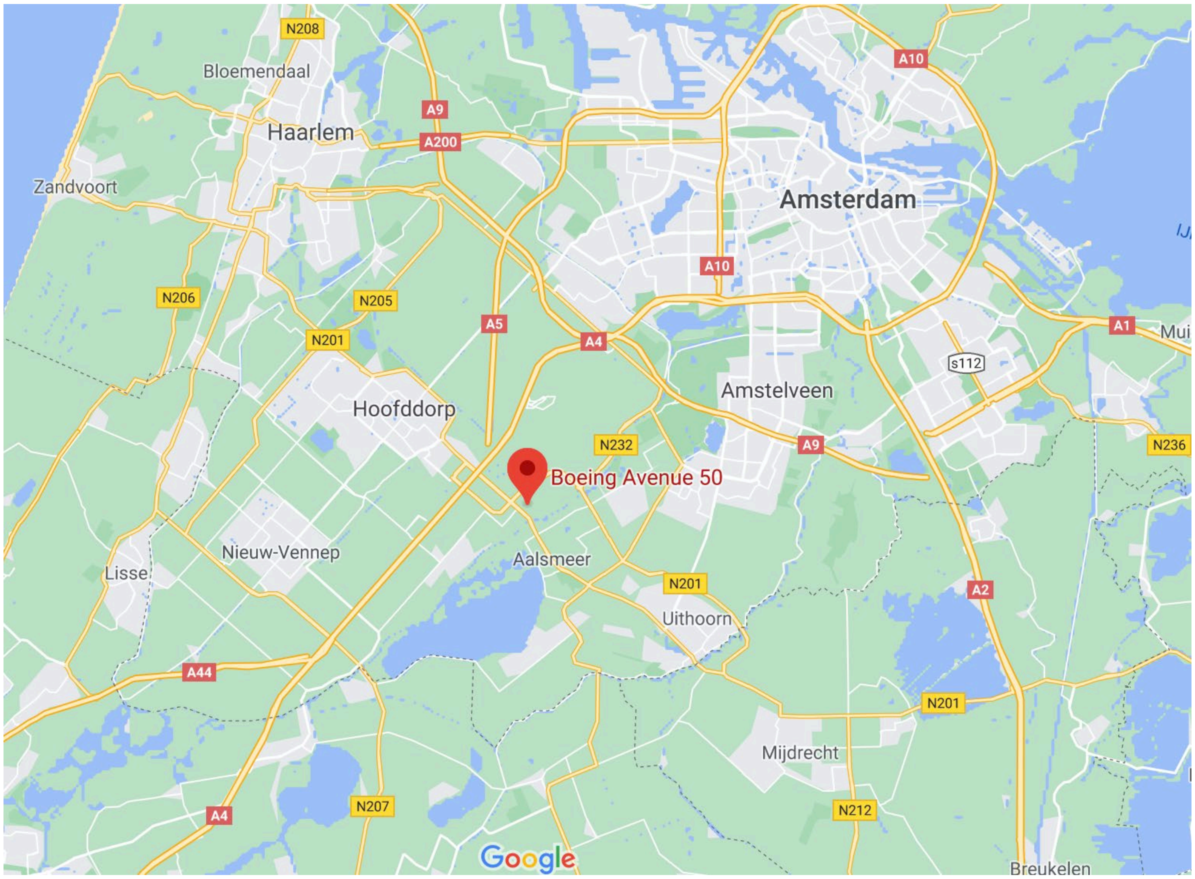
This Project Supplement No. 7 modifies and supplements the Confidential Private Placement Memorandum of TEI Diversified Income & Opportunity Fund V, LLC, dated January 1, 2020 (the "**Memorandum**"), as previously amended by Supplements Nos. 1-6, which should be read in conjunction with the Memorandum (including but not limited to the Special Risk Section in the Memorandum). Terms with initial capitals, not otherwise defined in Project Supplement No. 7, have the meanings set forth in the Memorandum.

Supplement

This Project Supplement pertains to the acquisition of the retail space located at Boeingavenue 50-68 & Beechavenue 54-100, Amsterdam, Netherlands.

TIME EQUITIES SECURITIES LLC

SUMMARY INFORMATION ABOUT THE PROPERTY
LOCATED AT BOEINGAVENUE 50-68
BEECHAVENUE 54-100
AMSTERDAM, NETHERLANDS



This Supplement pertains to the acquisition of two adjacent office buildings totaling 164,948 square feet in the Schiphol Rijk submarket of Amsterdam. The combined current occupancy level for both buildings is approximately 37%. The underwriting for the Financial Forecast only includes limited income for the existing Regus lease at the Property. The Regus lease is with a subsidiary of Regus, a multinational provider of co-working spaces, similar to WeWork. The Regus lease consists of 23,026 sf with existing annual rent of €267,450. The term of the Regus lease extends until May 31, 2026. The Regus lease is currently guaranteed by another subsidiary of Regus for a maximum amount of €200,402.62. Worldwide Regus leases are often guaranteed by a subsidiary of Regus and numerous guarantors for other Regus leases have filed for bankruptcy to avoid or reduce their guaranteed payments. As a result of this, despite the remaining term of 5 ½ years for the Regus lease, the Financial Forecast only includes €423,594 of income for the Regus lease for the first two years of operation, based on the assumption that Regus continues to pay their rent for ten (10) months during the first year of operation and its guarantor pays €200,000 of its guaranteed maximum amount during the 2nd years of operation. At closing, €200,000 of the purchase price will be escrowed to pay rent under the Regus lease if the guarantor of the lease files for bankruptcy within 9 months after the closing date.

In addition, it is anticipated that on or prior to the closing, a lease with Fiod, a government credit tenant, is expected to be executed for 32,389 square feet for a five (5) year term. The commencement date for this lease is projected to be August 1, 2021. The net effective rent under their lease will be €265,050 per annum, after deduction for the free rent period of fifteen (15) months which is spread out over their five (5) year term.

If Regus stops paying rent and its guarantor declares bankruptcy, it is unlikely that there will be any distributions in the first or second years of operation. This could also delay or reduce the amount of projected financing for €6,500,000 and return of Invested Capital, which is estimated to occur in the beginning of the 2nd year of operation.

Alternatively, if Regus continues to pay rent and its Guarantor has not filed for bankruptcy, the actual distribution rate is anticipated (but not guaranteed), to be at 4% for the first year of operations. For the 2nd year of operations, if both Fiod and Regus are current in their rent, the actual distribution rate is also anticipated (but not guaranteed) to be at 6%. The above returns are both slightly lower than the ones utilized in the Financial Forecast.

- **Company:** Schiphol Rijk LLC, a Delaware limited liability company. The Fund will become a member of the Company.
- **Invested Capital:** €9,729,470 or $11,558,124 (based on the conversion rate).
- **Fund Invested Capital**: The Fund will contribute $2,500,000 US dollars to the Company for approximately a 21.63% membership interest therein
- **Purchase Price**: €8,500,000
  €556.54/square meter or €51.53/square foot
- **In-place cap rate for the purchase of the Property**: 4.70%
- **Estimated Closing Date**: December 15, 2020
- **2 Class A Office Buildings**
- **Total Square Footage:** 15,273 square meters or 164,948 square feet (does not include basement space).
- **Construction of the Buildings Completed**: Both buildings were constructed in 2000.
- **Occupancy Level At Closing**:
  - Boeingavenue 50-68 – 46.5%
  - Beechavenue 54-100 – 30.4%
  - Aggregate occupancy level for both buildings is approximately 37%
- **Tenancy at Closing**:
  - At closing there will be 5 tenants occupying the 2 buildings, totaling 5,672 square meters or 51,053 square feet.
- **Projected Capital Improvements during the first three (3) years of operation:** €1,500,000 to be funded from an interim loan from Time Equities Associates LLC ("**TEA**"), an affiliate of the Managers, and the financing for Property in the beginning of the 2nd year of operation.

- **Location**:
  - Amsterdam, NL
  - Located 30 minutes by car from downtown Amsterdam
  - Located 5 minutes by car from Schiphol Airport
- **Unleveraged Returns**
  Projected 10-year average unleveraged returns from net cash flow is 6.87%
- **Leveraged Returns**
  Projected 10-year average leveraged returns from net cash flow is 9.43%
- **Projected Financings for Property:**
  - TEA will provide an interim loan to fund capital improvements and leasing costs in the first year of operations in the estimated aggregate amount of €1,400,000.
  - The attached Financial Forecast includes a projected financing in the amount of €6,500,000 in the beginning of the 2nd year of operations. The TEA loan will be satisfied from this projected financing.
- **Dutch Economy**
  - One of Europe's strongest economies.
  - Netherlands is within top 5 competitive economies in Europe
  - Unemployment rate is currently approximately 4.4% as of September 2020
- **Dutch Tax Treatment**:
  - Dutch corporate income taxes ("**CIT**") are levied at the ownership level and payable by the Company, as the owner of the Property. The tax rate for the first €200,000 of taxable profits will be 16.5% in 2020 and 15% in 2021. The CIT rate above the first €200,000, will be lowered to 21.7% in 2021.
  - Netherlands income tax will be paid by the Company. US Investors do not have to file Netherland tax returns and pay Dutch income taxes for the Fund's investment in the Company.

Acquisition, Business Plan and Invested Capital

The total Invested Capital is €9,729,470 or $11,558,124 based on a conversion rate of 1 dollar equals 0.844 euros (the "**Conversion Rate**"). The Conversion Rate will be fixed based on the average rate incurred to convert US dollars to euros for the funding of the deposit and closing costs (including the balance of the purchase price) at the time of the acquisition of the Property. The Fund will contribute $2,500,000 US dollars to the Company for approximately a 21.63% membership interest therein.

The purchase price for the Property is €8,500,000 or €556.54 per square meter or €51.53 per square foot. This reflects a reduction of approximately €1,000,000 since the offer for the purchase of the Property was first accepted by the Seller in August 2020 due to COVID-19 concerns and the requirement for certain needed capital improvements for the Property. There is no guaranty as to whether or not such price reduction will be adequate to compensate for changing market conditions due to COVID -19 and/or such required capital improvements for the Property. The Property has not been actively managed and/or marketed to lease up the vacant space over the last five years, after being acquired as part of a portfolio by the seller. The acquisition is scheduled for approximately December 15, 2020.

The business plan includes meeting with the current tenants with near term lease expiration dates and offering renewal rates at a discount to their current rents, as well as offering tenant improvement incentives (free rent and/or tenant improvement allowances), as needed. In addition, during the first year of operations, capital improvements are planned for the grounds, lobbies, and corridors. Such planned capital improvements will be undertaken to enhance the attractiveness of the vacant space.

The business plan is based on three similar buildings in the area that were acquired and redeveloped by local Dutch investors, and subsequently leased up to stabilized occupancy following completion of their renovation program.

The Financial Forecast includes a financing for the Property in the beginning of the second year of operations for the estimated loan amount of €6,500,000. There is no guaranty as to such projected increase in the occupancy level for the Property and/or the ability to finance the Property for such projected loan amount. If the financing is consummated on terms more onerous than the projected terms, the returns generated by the Property will be negatively impacted.

Organizational Structure

The Property will be owned by Schiphol Rijk LLC (the "**Company**"). The Company is a newly created Delaware (USA) limited liability company. Each of the Investors will become a member of the Company. The general managers of the Company will be Francis Greenburger and Robert Kantor.

The organizational chart for the Property is included as an Exhibit to this Private Investment Memorandum.

Dutch Income Taxes and Foreign Tax Credit

U.S. investors will not be required to file any Dutch income tax returns nor pay Dutch income taxes. All Dutch income taxes will be paid by the Company. It is expected that Dutch income taxes paid by the Company will be passed through to the U.S. Investors as a foreign tax credit which may be used as a credit against US federal income taxes and otherwise payable subject to limits and conditions under the Internal Revenue Code and investors should consult their tax advisors to determine the applicability of such Netherland's tax credit.

Regional Description and Amsterdam

The current population of the Netherlands is approximately 17,107,449. The World Economic Forum stated in that, as a result of Netherlands' excellent infrastructure, well-functioning government, high-quality health care and low unemployment rate (which is currently as of September 2020 at 4.4%, reflecting a decrease from 4.6% from August 2020). The Netherlands has become one of the top 5 competitive economies in Europe. Furthermore, according to the Economic Survey of the Netherlands that was published in 2018 by OECD, prior to outbreak of COVID-19, the Dutch economy was foreseen as undergoing a strong expansion.

Prior to COVID-19, investment sales were on an increased trajectory. According to CBRE, A record high volume of 20 billion euros of real estate was traded in the Netherlands in 2018. This exceeded the previous record by 2%. In addition, the Netherlands is a top 7 country for cross border real estate investors. Institutional investors, such as Goldman Sachs, CBRE Global Investors, and Blackstone, have been active in the Netherland's real estate market.

The primary submarkets of Amsterdam, The Hague, Rotterdam, and Utrecht are home to an array of large financial, technology, media and retail companies, as well as government organizations and international non-governmental organizations. Famous Dutch companies include Philips, Akzo Nobel, Royal Dutch Shell, Unilever, Heineken, IKEA (formerly Swedish), ING, KLM, and ABN-AMRO.

<u>Amsterdam</u>

Amsterdam contains the core of the office market in the Netherlands. It is home to many large financial, technology & media, and retail companies renowned around the world.

According to the World Population Review Amsterdam has a current population of 1.15 million and has been growing by 0.76% since 2015. The GDP in Q2 2020 fell by 8.5% primarily due to the decrease in household consumption, a direct impact from the COVID -19 Pandemic.

When taking a look at the current office market in Amsterdam, a report by Colliers in May of 2020 stated that the vacancy rate has decreased from 8.5% in 2015 to 3.1% in Q1 2020. This report also noted that any office space that becomes available will probably be leased up quickly. Particularly around Amsterdam and Utrecht, many companies are eager to find suitable office space. According to a 2019 report from Dynamis, rental rates in the Schiphol area as of 2020 are €145/sqm.

<u>Schiphol Business Park</u>

Schiphol-Rijk is located in the middle of the metropolitan area of Amsterdam, home to approx. 2.4 million inhabitants. According to UN World Urbanization Prospects Amsterdam has seen population growth since 2015 at a rate of about 0.76% annually.

This acquisition presents a great value-add opportunity in a highly sought after market. Schiphol-Rijk was originally an industrial area where aircraft manufacturer Fokker was located. However, since the 1950s this industrial area changed with the expansion of Schiphol Airport. This has created office business parks, where companies like TUI, McAfee and Liberty Global have their headquarters.

The Amsterdam Airport Business Park is situated on the western edge of the Haarlemmermeer district of Schiphol-Rijk, south of Amsterdam and directly adjacent to Amsterdam Schiphol Airport, the third busiest airport in Europe in terms of passenger volume. In addition, this office park has a direct bus line connection (leaving every 5 minutes) that takes you directly to the airport. This area is very accessible through the A4, A5, and A9 highways that are located only a few kilometers away from the Property.

Effective of COVID-19/Cushman & Wakefield Market Report

Impact of COVID -19

The impact of the COVID-19 outbreak on the real estate market in the first quarter of this year is evident, according to the latest figures from international adviser Cushman & Wakefield. Cushman & Wakefield compared the occupation of offices and the dynamics in the real estate investment market in the first quarter of 2020 with those in the first quarter of 2019. The analysis shows that the occupation in the office market decreased by 21% and the investment volume has decreased by 21%. For the month of March, the leasing velocity fell by 33% and a halving (52%) of the investment activity.

When looking at the effect of COVID-19 on the real estate market in the Netherlands, Cushman and Wakefield in a 2020 Q1 retail report states that total retail investment was 21% lower than the same period in 2019. The retail sector in Q1 was heavily affected due to the contact restricting measures the government had taken in order to prevent the spread of COVID-19. There were an abundance of tenants facing payment problems, and in turn had reached out to landlords looking for some sort of rent relief. Starting on March 15th, the government allowed retailers to open back up as long as they were adhering to the proposed guidelines. Since then, restrictions have continued to loosen, and retailers are seeing more and more foot traffic on a daily basis.

Dutch real estate has been extremely popular with domestic and foreign investors for a number of years. Cushman & Wakefield stated the investment volume in 2019 at EUR 23.5 billion was just below the record level of EUR 24.0 billion in 2018. In the past 5 years, just as much was invested in Dutch real estate as in the prior 16 years. The COVID-19 outbreak has had a direct impact on investment dynamics and leads to postponement and cancellation of transactions. Until now, however, various transactions have also been successfully completed and a few lenders are still active. In the first quarter of 2020, Cushman & Wakefield stated that in both January and February of this year investment volume showed favorable figures compared to last year.

Compared to the economic crisis of more than 10 years ago, Cushman & Wakefield stated the real estate investment market now has a completely different profile. At that time, the market's emphasis was rather one-sided on offices. The current investment market has a much wider spread across the various segments, with residential investment accounting for the largest share of the investment volume. The impact of the current Corona crisis differs per segment. It is clear that the hotel market and the retail market are being hit much harder than the office market or the industrial property market. The effects of the COVID-19 crisis on the housing market are expected to be the least significant.

Even before the current Covid-19 Pandemic, Cushman & Wakefield indicated a decline in investment volume was expected as a result of the scarce investment supply. They projected that investment volume would decrease by approximately EUR 17 billion. In the most favorable scenario, Cushman & Wakefield stated the expectation is that the investment volume in 2020 will amount to EUR 14.5 billion, which means a decrease of 39% compared to 2019.

COVID-19 and the Existing Tenants at the Property

Despite the COVID-19 pandemic, all tenants have continued to pay rent and there are currently no tenants in arrears. In addition, there have been no rent relief requests during the pandemic, and the tenants are currently occupying their respective spaces.

COVID-19 and TEI Dutch Portfolio

Since its first acquisition 5 years ago, the Dutch portfolio owned by affiliates of TEI has grown to 43 properties, totaling 2.2 million square feet of space. Most of this space consists of office buildings. Throughout the COVID-19 pandemic, since April 2020, TEI has been tracking all rent collections for this Dutch portfolio. Despite the overall decline in the market, due to the impact of the COVID-19 pandemic, the TEI portfolio has held up reasonably well. Q2 2020 collections were at 96% and Q3 2020 collections, through September 30, 2020, stand at approximately 99%. Leases have been amended for all tenants that requested rent relieve due to COVID-19 (consisting of 7 tenants, for approximately 14,000 square meters of space, with rent reductions granted ranging from 20% to 50% of their monthly rent and generally limited to the months of April to June 2020).

In most of these situations, TEI had negotiated lease extensions in return for rental deferment or abatement. In addition, 3 new tenants for a total aggregate of 3,720 square meters, have signed leases at 2 different locations during the COVID-19 outbreak.

Information about the Existing Tenants

There are five (5) existing tenants occupying the 2 buildings, with the largest tenant being a subsidiary of Regus. Regus is a multinational provider of service offices, business lounges, and conferencing facilities. The company has a very similar co-working business model to U.S. company Wework. The Regus lease has an expiration date of 5/31/2026 and their current annual rent is €267,450. The guarantor (IWG Global Investments Sarl) for this lease (another subsidiary of Regus), guaranteed their rent up to the maximum amount of the €200,402.62 (an amount which is approximately €67,500 less than the current annual rent under their lease). At the closing, €200,000 of the purchase price will be escrowed to pay rent under the Regus lease if the guarantor of this lease files for bankruptcy within nine (9) months after the closing date. The Regus parent company does not have any personal liability under this lease.

In the Financial Forecast it is assumed the Company will collect 10 months of rental income from Regus, equaling €223,594, in the first year of operating. In addition, it is assumed in the Financial Forecast that €200,000 of the maximum guaranteed amount will be collected in the second year of operation. Although their lease extends for over 5 ½ years, the total aggregate income included in the Financial Forecast for the Regus lease is only €423,594, as set forth above. Currently, Regus is not in arrears in their rent. This reduced amount of income included for the Regus lease in the Financial Forecast is utilized because some of the other subsidiaries of Regus that guaranteed other Regus leases have filed for bankruptcy. The guarantor for the Regus lease at the Property has not filed for bankruptcy, and at this point (subject to change) there is no indication of such occurrence.

In addition, it is anticipated that at or prior to the closing of the acquisition a lease with Fiod, a government credit tenant, will be executed for 3,009 square meters or 32,389 square feet in Beechavenue 54-100 for a term of 5 years. The net rental income under this lease, before deduction for free rent, will be €354,400 per annum (or $118 per square meters or $10.94 per square foot). The projected rent commencement date in the Financial Forecast is August 1, 2021. The Fiod lease will increase the occupancy level at the Property to 43% (not including the Regus lease). The Fiod lease will include fifteen (15) months of free rent spread out over its five (5) year term. The Invested Capital to be funded from this Offering includes €441,750 to pay rent under the Fiod lease during their free rent period.

Below is a breakdown of all the existing tenants at the Property.

Tenants at Closing

Building	Tenant	SQM	SQFT	EUR/SQM	EUR/SF	Annual Rent	Lease Expiration Dates
Boeingavenue 50-68	Icon Clinical Research UK	963	10,362	€ 153.88	€ 14.30	€ 148,185	3/31/24
Boeingavenue 50-68	Santova Logistics B.V.	374	4,024	€ 105.24	€ 9.78	€ 39,361	10/31/21
Boeingavenue 50-68	QAD Netherlands B.V.	1,022	10,997	€ 171.69	€ 15.96	€ 175,464	4/30/23
Beechavenue 54-100	Regus Schiphol Rijk B.V.	2,140	23,026	€ 124.98	€ 11.61	€ 267,450	5/31/26
Beechavenue 54-100	*Maatschap PKF Wallast	1,173	12,621	€ 127.43	€ 11.84	€ 149,470	4/30/25
TOTAL		**5,672**	**61,031**			**€ 779,930**	

**This tenant has an option to terminate their lease early as of 4/30/2023, and if exercised they will have to pay a fee of €25,000.*

Projected Sources and Uses for Invested Capital

The following is the projected sources and uses for Invested Capital:

SOURCES

Invested Capital	€ 9,729,470
TEA Loan	€ 1,400,000
TOTAL	**€11,129,470**

USES

	Total Project Uses s
Purchase Price	**€8,500,000**
Transfer Tax (6% of purchase price)	**€510,000**
Acquisition Fee	**€170,000**
Closing Costs	**€85,000**
Tenant Improvement/Leasing Commissions Year 1	**€913,088**
Capex	**€236,912**
Working Capital Reserve	**€174,720**
TEA Loan Interest (Year 1)	**€98,000**
Fiod Free Rent	**€441,750**
Total	**€11,129,470**

Time Equities Associates LLC ("**TEA**"), an affiliate of the Managers, has agreed to fund an unsecured line of credit, loan to the Company ("**TEA Loan**"), to cover leasing costs (tenant improvements and leasing commissions) and capital improvements incurred during the first year of operation. It is estimated that the total amount advanced under the TEA Loan will be approximately **€1,400,000**.

The interest rate on the TEA Loan will be the greater of: (i) the Prime Rate of Interest as set forth in the Wall Street Journal, as such may change from time to time, plus 3.25%; or (ii) 7% per annum. Interest will be paid to TEA to the extent of available net cash flow and/or will be accrued until the loan is paid off from the financing projected to occur in the beginning of the second year of operation. Total interest costs projected to be incurred under the TEA Loan is €98,000 and such amount will be funded from Invested Capital. In the Financial Forecast the interest rate is assumed to be at 7% for the entire term of the TEA Loan. The Financial Forecast includes the payoff of the TEA Loan from such projected financing in the beginning of the second year of operation.

Projected Capital Improvements for the First Three Years of Operation

€236,912 is budgeted for capital improvements to be spent, as needed, over the course of the first year of operations. The major capital improvements contemplated for the first year of operations consist of the renovation to the lobbies, corridors, and grounds of Boeingavenue 50-68. It is assumed that this portion of the planned capital improvement will be funded by the TEA Loan proceeds. An additional €1,263,088 is projected to be spent, as needed, over the course of the second and third years of operations for the concrete repairs for the parking deck and upgrades to the electrical (including lighting) and mechanical systems in both buildings. The above projected amounts for capital improvements do not include VAT.

Since at this point in time, plans and specifications have not yet been prepared for such planned capital improvements and none of the work has been bid out for completion, it is difficult to determine the accuracy of the above cost estimates. As a result, there is no guaranty as to the actual costs of such capital improvements, which could be higher or lower than the above estimated amounts.

Projected Leasing Costs to be Funded under the TEA Loan

The TEA Loan will be used to fund tenant improvements and leasing commissions incurred during the first year of operation. In the Financial Forecast, it is estimated that such leasing costs to be incurred during the first year of operations will be equal to €913,088. All of such leasing costs are projected to be utilized for the new lease with Fiod.

Financial Forecasts for 10 Year Forecast Period

The Financial Forecast for the Property is attached hereto. The Financial Forecast contains projections for a ten (10) year period. There can be no assurance the Property will perform at the levels assumed in the projections. It is likely that actual results will vary from the amounts shown in the projections.

RENT ASSUMPTIONS UTILIZED IN THE FINANCIAL FORECAST

Below are the rent assumptions utilized for the buildings in the Financial Forecast.

	Rent Assumptions	
Building	**Market Rent**	**Renewal Downtime**
Boeingavenue 50-68	€125	12 months
Beechavenue 54-100	€125	12 months

In addition, each of the tenants under new or renewal leases are projected to pay their prorata share of operating expenses, including real estate taxes and insurance.

Building	Term	Tenant Improvements	Leasing Costs	Rent Abatements	Renewal Probability
Boeingavenue 50-68	5 Years	10% of Rent	24% of Year 1	New/Renew = 6 Months	75%
Beechavenue 54-100	5 Years	10% of Rent	24% of Year 1	New/Renew = 6 Months	75%

During the first three (3) years of operation, the projected leasing volume for new leases are as follows:

	Square Meters	Square Feet
First Year of Operation	3,009	32,389 for the Fiod lease
Second Year of Operation	4,162	44,783
Third Year of Operation	1,815	19,529

In the Financial Forecast, it is assumed that a government related tenant (Fiod) will sign a lease agreement for 3,009 square meters (or 32,389 square feet) for a term of 5 years, with a Rent commencement date of 8/1/2021.The initial rent under this lease will be \$118 per square meters or \$10.94 per square foot.

LEASING COSTS

During the first three years of operations, the projected leasing costs for tenant improvements and leasing commissions to be incurred are estimated to be:

1st year	€913,088 (Fiod lease)
2nd year	€435,498
3rd year	€261,798
TOTAL	**€1,610,384** (not including VAT)

The above leasing costs incurred in year one is expected to be funded from the TEA loan. The leasing costs in years 2-3 are expected to be funded from the loan proceeds from the projected financing which is projected to occur in the beginning of the second year of operations.

The Financial Forecast, starting in the 4th year of operation, contains an annual leasing reserve of €230,084 for the remaining 7 years of the 10-year forecast period or for a total of €1,610,587. Such leasing reserve for the 4th-10th years of operation, in the Financial Forecast, are projected to be funded from operating income.

PROJECTED OCCUPANCY LEVELS

The projected occupancy levels during the ten (10) year forecast period are as follows:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
41.20%	57.33%	78.98%	84.23%	83.88%	80.88%	78.38%	81.33%	83.09%	83.88%

The average occupancy level during the ten (10) year forecast period is 75.32%.

PROJECTED EFFECTIVE GROSS REVENUES

The following is the projected effective gross revenue for the Property during the ten (10) year forecast after taking into account projected free rent periods.

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
€ 850,594	€ 1,092,723	€ 1,400,550	€ 1,547,913	€ 1,615,719	€ 1,590,948	€ 1,279,800	€ 1,448,017	€ 1,638,590	€ 1,752,806

The average aggregate annual gross rents over the ten (10) year periods is projected to be €2,069,041. The projected effective gross revenues include €441,750, utilized to cover the free rent under the Fiod lease.

PROJECTED FINANCING

Financial Forecast contains a financing at the beginning of the 2nd year of operation in the amount of **€6,500,000.** The terms of such financing in the Financial Forecast are assumed to be as follows:

Financing Projections

- Amount: €6,500,000
- Time Period: The projected financing is estimated to occur at the beginning of the 2nd year of operation
- Fixed Interest Rate: 3.00%
- Amortization Schedule: 1.50% per annum; After 10 years the outstanding balance of the loan would be reduced to €5,588,248
- Annual Debt Service Payments: Projected annual debt service payment start at €292,500 and decrease to €259,188 by the 10th year, due to lower interest payments, as the principal balance is decreased over time
- Closing Costs: 1.50% of the loan amount or €97,500
- TEA Loan Payoff: €1,400,000
- Reserve for Tenant Improvements and leasing Commissions Years for 2-3: €697,296
- Reserve for Capex: €1,263,088
- Projected Reduction of Invested Capital: Proceeds of such financing are projected to reduce the total Invested Capital from €9,729,470 to €6,687,354

There is no guaranty as to the ability to obtain such financing and if obtained, as to the amount and terms for such financing. Also, there is no guaranty as to amount of any such return of Invested Capital that would be generated by such a financing.

PROJECTED RETURNS AT THE PROPERTY LEVEL

The following are the projected leveraged returns on the amount of the Invested Capital without regard to the profit participation that would be payable to the Managers, if any.

YEAR	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
% Return on Invested Capital	4.45%	6.20%	11.37%	10.21%	11.15%	10.73%	6.49%	8.92%	11.59%	13.20%

Returns starting in the beginning of the 2nd year of operations are calculated based on the estimated reduced Invested Capital of €6,687,354

Leveraged Projected average 10-year return from net cash flow	9.43%

The above projected returns are at the Property level and do not reflect the distribution formula for cash available for distribution in the Operating Agreement for the Fund.

PLEASE NOTE THE PERCENTAGE RETURNS SET FORTH IN THIS FINANCIAL FORECAST ILLUSTRATES THE RETURNS INVESTORS WOULD RECEIVE BASED ON THE RESULTS OF THE PROPERTY WITHOUT TAKING INTO CONSIDERATION THE CUMULATIVE RESULTS OF ALL OF THE PROPERTIES OWNED BY THE FUND. THE ACTUAL CUMULATIVE RESULTS WILL VARY AND COULD BE SIGNIFICANTLY LESS THAN THE RETURNS SET FORTH IN THIS FINANCIAL FORECAST.

Such projections do not include a hypothetical sale of the Property at the end of the tenth (10th) year forecast period.

The Financial Forecast is provided only for the purpose of illustrating how the Property might perform provided all of the assumptions are realized. There is no assurance that the assumptions utilized in the Financial Forecast will be achieved, and it is likely that the actual results will vary greatly (better or worse) from the projections.

THERE IS NO GUARANTEE THAT THIS INVESTMENT WILL GENERATE THE PROJECTED RETURNS ON THE INVESTED CAPITAL.

Additional Annual Reserve for Capital Improvements

The Financial Forecast also includes an annual reserve for capital improvements in the amount of **€61,092** per year for the entire ten (10) year forecast period (based on €4.00 per square meter or 37 cents per square foot). Such reserve amount is projected to be funded from operating income. It is projected in the Financial Forecast that the entire amount of such capital improvement reserve will be utilized.

Working Capital Reserve

The Invested Capital includes a working capital reserve of **€174,720**. Such working capital reserve could be utilized for unbudgeted operating expenses, closing costs, capital improvement and for leasing costs (tenant improvements and commissions). In the Financial Forecast such working capital reserve is not projected to be utilized. Even through such working capital reserve is not projected to be utilized in the Financial Forecast, there is no guaranty as to the adequacy of the amount of the working capital reserve.

Management of the Property

The Property will be managed by a third-party property manager. It is estimated such property manager will be paid a management fee equal to 2.00% of the collected rents for property management services. TEI will provide asset management services. TEI will be paid a fee equal to 1.5% of the collected rents for asset management services rendered.

Acquisition Fees for the Property

Upon the closing of the Property, TEI, shall be paid an acquisition fee in the amount of **€170,000** (2% of the purchase price).

PROJECTED REDUCTION OF INVESTED CAPITAL

Under the Financial Forecast, as a result of the projected financing at the end of the first year of operations, the aggregate Invested Capital is projected to be reduced from **€9,729,470** to **€6,687,354**. Beginning in the 2nd year of operations, returns in the Financial Forecast, are calculated based on the reduced Invested Capital of **€6,687,354**. There is no guaranty as to the ability to obtain such reduction of Invested Capital.

PROPERTY CONDITION REPORT

A Property Condition Report was prepared by SGS Search (" **SGS**") for the Property in July of 2020. The purpose of the report was to understand the current condition of the buildings and to budget required repairs and improvements that may have to be completed over the next 10 years. The budget for the Property is divided into the estimated immediate and remaining repairs and improvements. The following is a chart which sets forth SGS's cost estimates and projected time periods for completion:

Description	Immediate Repairs	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Roof	€ 6,500	€ -	€ -	€ -	€ -	€ -	€ -	€ 188,025	€ -	€ -	€ -
Load Bearing Structure	€ 18,500	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Facades	€ 14,700	€ 6,500	€ 735,000	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Fire Safety	€ 199,000	€ -	€ -	€ -	€ 10,000	€ -	€ -	€ -	€ -	€ 84,000	€ -
Mechanical Systems	€ -	€ 160,700	€ 45,900	€ 89,000	€ -	€ -	€ 6,000	€ -	€ -	€ 291,400	€ 164,000
Electrical Systems	€ 34,000	€ 1,112,940	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Elevator Systems	€ -	€ 5,385	€ -	€ -	€ -	€ -	€ 425,000	€ 170,000	€ -	€ -	€ -
Terrain	€ 6,450	€ 4,000	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Environment	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 1,500	€ 2,500
TOTAL	**€ 279,150**	**€ 1,289,525**	**€ 780,900**	**€ 89,000**	**€ 10,000**	**€ -**	**€ 431,000**	**€ 358,025**	**€ -**	**€ 376,900**	**€ 166,500**

The total amount projected by SGS over the next ten (10) years is €3,781,000 (not including VAT)

Since plans and specifications have not yet been completed and the work has not been bid out, the actual construction costs for such planned repairs/improvements may be higher or lower than projected in the Property Condition Report. Also, certain work that is not planned for completion in the short or medium terms, may, in fact, be required to be completed sooner than projected.

TEI also prepared a cost report as to the estimated repair and improvement costs to be incurred over the 10-year period. The aggregate projected amount for the TEI cost estimate is **€1,842,860** (not including VAT), which includes **€500,000** for the upfront renovation to the lobby and grounds. The remainder of the costs are primarily related to the concrete remediation in garage, lighting throughout both buildings, elevator and escalator systems, mechanical systems, fire safety, and roof repairs.

The following is a chart which sets forth the TEI cost estimate and projected time periods for completion. Such aggregate projection by TEI for the next ten (10) years is significantly lower than the amount projected by SGS.

Description	**Immediate Repairs**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**
Roof	€ 6,500	€ -	€ -	€ -	€ -	€ -	€ -	€ 188,025	€ -	€ -	€ -
Load Bearing Structure	€ 18,500	€ 100,000	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Facades	€ 14,700	€ 6,500	€ 100,000	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Fire Safety	€ 199,000	€ -	€ -	€ -	€ 10,000	€ -	€ -	€ -	€ -	€ 84,000	€ -
Mechanical Systems	€ -	€ 112,600	€ 10,000	€ 5,200	€ -	€ 50,000	€ 56,000	€ 35,000	€ -	€ 78,000	€ -
Electrical Systems	€ 34,000	€ 40,000	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Elevator Systems	€ -	€ 5,385	€ -	€ -	€ 75,000	€ 50,000	€ 50,000	€ -	€ -	€ -	€ -
Terrain	€ 6,450	€ 4,000	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Environment	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 1,500	€ 2,500
TOTAL	**€ 279,150**	**€ 268,485**	**€ 110,000**	**€ 5,200**	**€ 85,000**	**€ 100,000**	**€ 106,000**	**€ 223,025**	**€ -**	**€ 163,500**	**€ 2,500**

Upfront Renovation Costs		
Landscaping	€	50,000
Show floor Beechavenue	€	150,000
Entrance renovation Beechavenue	€	100,000
Show floor Boeingavenue	€	75,000
Entrance renovation Boeingavenue	€	50,000
Contingency	€	75,000
	€	**500,000**

Comparison of the SGS Cost Estimate for Repairs/Capital Improvements to the One Prepared by TEI

The following reflects the various categories where there are material differences between the two cost estimates during the 10-year forecast period:

Description	**SGS Aggregate Cost Estimates**	**TEI Aggregate Cost Estimates**

Load Bearing Structure	€18,500	€118,500 (€100,000 in 1st year)
Facades	€756,200 (€735,000 in the 2nd year)	€121,200 (€100,000 in the 2nd year of operation)
Mechanical Systems	€757,000 (€160,700 in the 1st year and €455,400 in the 9th and 10th years)	€346,800 (€112,600 in the 1st year and €78,000 in the 9th year)
Electrical Systems	€1,146,940 (entire amount in 1st two years)	€74,000 (entire amount in the 1st two years)
Elevators	€600,385 (€595,000 in 6th and 7th years)	€180,385 (€175,000 in the 4th to 6th years)

The biggest difference is the electrical systems in which the SGS cost estimate is €1,146,940 higher. The SGS report includes the installation of LED lighting for all vacant spaces in both buildings. Instead of being undertaken all at once, such installation will be completed as the vacant spaces are leased up in the buildings. Such cost is covered as part of the leasing reserve to be funded from loan proceeds from the TEA Loan, the projected financing in the beginning of the 2nd year of operations and operating income. The difference between the cost estimate for the elevators results from the SGS report including the cost for the replacement of the elevators and the TEI cost estimate is for the overhaul of the elevators. The immediate repair cost estimates in the amount of €279,150 is the same in both cost estimates.

The Financial Forecast includes €1,500,000 for capital expenditures to be spent within the first three years of operations. This amount is projected to be funded from both the TEA Loan and the loan proceeds from the projected financing to occur in the beginning of the 2nd year of operations.

The Financial Forecast also includes an annual reserve for capital improvements for years 1-10 in the amount of **€61,092** for a total of **€610,920.** The annual reserve will be funded from operating income.

The total estimated amount to be funded for capital improvements in the Financial Forecast, over the next ten (10) years, is **€**2,110,920 from the following funding sources:

- TEA Loan €236,912
- Financing in the beginning of the 2nd year of operations €1,263,088
- Annual reserves from operating income €610,920

TOTAL **€2,110,920** (not including VAT)

The amount utilized in the Financial Forecast is significantly lower than the €3,781,000 estimated by SGS. If SGS estimates is accurate, this would result in a €1,670,080 deficiency during the next 10 years. Such deficiency could have a material impact on distributions to Investors. It could require the Company to retain more reserves from loan proceeds from the projected financing in the 2nd year of operations or could necessitate a capital call upon the Investors.

However, the aggregate cost estimate by TEI for the next 10 years at €1,842,860, is lower than the amount projected to be funded from loan proceeds and operating income. There is no guaranty as to the accuracy of either estimates as to the costs for capital improvements to be incurred over the next ten years. It is a material risk of this Offering if the SGS estimate, rather than TEI's cost estimate, in the end become the one closer to the actual amount ultimately incurred.

ENVIRONMENTAL CONDITION OF THE PROPERTY

SGS performed an environmental assessment for the Property in July 2020. Since both buildings were built after 1994, when asbestos was banned in the use of construction materials, SGS stated there was no risk of any asbestos being present in the construction materials for the two buildings at the Property. SGS also performed a soil survey at the Property in July 2020. SGS also concluded there was no potential soil threatening activities at the Property and based on the continuation of the current use, SGS concluded no further action was necessary. SGS however indicated that, to the extent future redevelopment occurs, which could impact any soil contamination at the Property (which could include asbestos containing materials from construction debris from the demolition of the building(s) previously existing on the Property), extra measures would have to be undertaken and there could be additional costs incurred for the removal of any such contaminated soil.

Energy Labels for each of the Buildings at the Property

Dutch law provides that the owner of a building has to provide an energy label upon the transfer or leasing of their buildings. Such energy label is not required for industrial and/or retail properties. By having an energy label for a building, this raises the awareness of a purchaser or office tenant regarding the building's energy efficiency. Buildings are assigned a grade ranging from A to G with "A" signifying the highest level of energy efficiency and "**G**" the lowest. The energy label for a building is determined by a certified advisor. An energy label once issued or changed is valid for 10 years.

Energy Labels for the buildings are as follows:
Beechavenue 54-100 - **A**
Boeingavenue 50-68 – **C**

Office buildings are required to maintain an energy label or grade of at least C. The improvements planned for Boeingavenue 50-68 will probably result in increasing its Energy Label.

OVERVIEW OF THE U.S. AND DUTCH TAX IMPLICATIONS

The following is a brief overview of some of the Dutch and US income tax, Dutch VAT and real estate transfer tax aspects or consequences that will apply to Company, and the US Investors as the members of the Company.

BECAUSE THE TAX ASPECTS OF THIS OFFERING ARE COMPLEX, AND CERTAIN OF THE TAX CONSEQUENCES MAY DIFFER DEPENDING ON INDIVIDUAL TAX CIRCUMSTANCES, EACH INVESTOR IS URGED TO CONSULT WITH AND RELY ON HIS OR HER OWN TAX ADVISOR CONCERNING THIS OFFERING'S TAX ASPECTS AND HIS OR HER INDIVIDUAL SITUATION. NO REPRESENTATION OR WARRANTY OF ANY KIND IS MADE AS TO THE ACTUAL TAX TREATMENT THAT WILL APPLY TO AN INVESTOR UNDER BOTH DUTCH AND US TAX LAWS AND CODES.

The Company should be treated as being a taxpayer in the Netherlands for its permanent establishment for corporate income tax (CIT) purposes in the Netherlands. As a result, the

Company will be required to file Dutch CIT, and will be required to pay corporate income tax (CIT) in the Netherlands, based on the income allocated to Company from the Property.

Also, the Investors or Members of the Company will not be required to file Dutch CIT returns or to pay any Dutch income taxes solely as a result of their investment in the Company. US tax credits or itemized deductions, will be available to the Investors for some or all of the Dutch CIT paid by the Company, as described below.

The first €200,000 of taxable profits are taxed at a rate of 19%. Thereafter, taxable profits are taxed at a maximum rate of 25%. The tax rate for the first €200,000 will be lowered to 16.5% in 2020 and 15% in 2021. The 25% maximum tax rate will remain the same for 2020 and reduced to 21.7% in 2021.

Currently, there are no Dutch withholding taxes on the repatriation of the net profits from the Owner Companies through distributions paid by the Company to the Investors.

In the Netherlands, there are limitations currently in effect as to the deduction of interest expenses that can be claimed by the Company. Starting in January 2019, interest was not permitted to be deducted, for CIT purposes, to the extent the interest expense is higher than the greater of the following two (2) amounts:

(i) 30% of the fiscal EBITDA earnings (before interest, taxes, depreciation and amortization) of a taxpayer; or
(ii) €1,000,000

This limitation applies to interest incurred on third party debt.

Based on the attached Financial Forecast consisting of the financing to occur at the end of the first year of operation, it is assumed, but not guaranteed, that the higher of the two will be the interest expense limitation of €1,000,000. In the Financial Forecast for the Property, the annual interest expense would be approximately €195,000 from the projected financing in the beginning of the second year of operation. There is no guaranty as to whether or not the interest expense will be fully deductible based on the above limitation.

The Property will likely qualify as investment property, thereby enabling the value of the Portfolio to be depreciated over a straight line basis during their economic life. Such economic life, for depreciation purposes, is generally 40 years. However, investment property cannot be depreciated below its WOZ value or its lower going concern value. The WOZ value is annually determined by the City of Amsterdam. For the most part, the WOZ value is also the basis for local property taxes and landlord taxes.

A rollover provision under Dutch law may apply, without triggering the payment of Dutch CIT, if the net proceeds from the sale of the Property are reinvested for the acquisition of other real property. The time period to complete such rollover of the net sales proceeds is 3 years after the end of the taxable year in which the sale of the Property occurs. There are other conditions required to be satisfied in order to qualify for such rollover of the net sale proceeds for the Property. There is no guaranty as to the ability of the Company to complete any such rollover as to any sale of the Property. It should be noted that, although Dutch CIT could potentially be deferred on the gain on sale through reinvestment of the sales proceeds, taxes would still need to be paid in the US for the gain on the sale, as a 1031 tax deferred exchange cannot be performed with property outside of the

United States. As such, it is unlikely that the Company will reinvest sales proceeds in order to defer Dutch CIT.

Unlike in the US, in the Netherlands, capital gains recognized on the sale of a property are not taxed at a lower capital gain rate.

Tax losses for the Company can be carried back for one year and carried forward for six (6) years.

Since the transfer of the Property to the Company is likely to qualify as a "**transfer of a going concern**" ("**TOGC**"), no value added tax ("**VAT**") should be due. The going concern concept applies to the transfer of leased property for consideration whereby the purchaser continues the leased activities of the seller. If the TOGC concept applies, the Company would take over any pending VAT revision periods.

The recoverability of Dutch input VAT on costs incurred by the Company, should in principle be determined based on a cost allocation method, on a case-by-case basis. In summary:

- Dutch input VAT on costs incurred directly attributable to output activities allowing the deduction of input VAT, is fully recoverable (e.g. VAT taxed activities);
- Dutch input VAT on costs incurred directly attributable to output activities for which no right to deduct input VAT exists, is not recoverable (e.g. VAT exempt activities, generally the VAT exempt lease activities); and
- Dutch input VAT on costs which are not directly attributable to specific output activities is recoverable in accordance with the general VAT pro-rata recovery ratio. The VAT pro-rata recovery ratio should be determined on the basis of the ratio between the turnover allowing a deduction of input VAT and the total turnover falling under the scope of VAT. If the activities pertain only to the lease of real estate, then the VAT pro-rata recovery ratio can generally be based on a square meter ratio.

US investors will receive a K-1 as to their investment in the Company. Such K-1 will indicate the investor's allocated taxable net income or loss from the Property. Such K-1 will also indicate the Investor's portion of Dutch income taxes paid or accrued by the Company. These amounts may be utilized as either foreign tax credits or itemized deductions on an Investor's US tax return, subject to limitations governed by US tax law. In most cases, it is more advantageous to use these amounts as a foreign tax credit, as it can reduce the investor's tax liability "**dollar for dollar**". However, there is no guaranty of the tax credits or itemized deductions that will be available to Investors, as each Investor's income tax situation may be different. Investors are strongly urged to consult with their tax advisors, accountants and/or lawyers relating to any tax credit or itemized deduction they may take on their US tax returns.

Documents Available

Statements made in this Supplement as to the contents of any contract or other document referred to are not necessarily complete, each such statement being qualified in all respects by such reference. Documents described or referred to in this Supplement or those relating to the Property are available for inspection by a prospective Investor or his or her representative in the offices of the Managers and/or the representatives of Time Equities Securities LLC at c/o Time Equities, Inc., 55 Fifth Avenue, 15th Floor, New York, New York 10003. Such documents include, but are not limited to, the Purchase and Sale Agreement for the Property, the Property Condition Report, the TEI cost estimate, the environmental reports, the existing leases, the organizational documents for the Company, the title reports and surveys for the Property and the loan documents for the

TEA Loan. Prospective Investors or their representatives desiring to examine any and all of these documents should contact the Managers or the representatives of Time Equities Securities, LLC.

SOME RISK FACTORS TO BE CONSIDERED

Investment in the Membership Interests involves certain risks and is suitable only for persons of substantial financial means who have no need for liquidity in such investment and who are able to afford the risk of the investment. Prospective Investors should carefully consider the following additional risk factors:

1) **Risk as to the Lease Up of the Buildings**. The Managers and the managing agent will strive to increase the current occupancy levels for the Property as set forth in the Financial Forecast. There is no guaranty as to the ability to lease up these buildings as projected in the Financial Forecast. It is projected in the Financial Forecast that the Property will be leased up to approximately 85.00% in the fourth year of operation. Such lease up for the first 4 years of operation are projected as follows:

   Year 1 – 41.20%
   Year 2 – 57.33%
   Year 3 – 78.98.%
   Year 4 – 84.23%

   It could take longer to lease up the Property than as projected or the occupancy level ultimately achieved may never reach 85.00% as projected and this could materially affect the cash available for distribution to the Investors. Starting with the 5th year of operation for the remaining 6 years of the 10-year forecast period, physical occupancy levels at the Property are projected to range from approximately 78.38 % to 83.88%. There is no guaranty as to the actual occupancy levels that can be achieved during the 10-year forecast period.

2) **Variances from the Financial Forecast**. The Financial Forecast presents, to the best of the Managers knowledge and belief, the Managers estimate of the expected operating results of the Property for the ten (10) year forecast periods. It is based upon the Managers assumptions reflecting conditions they expect to exist and the course of action they expect to take during the forecast period. The Financial Forecast is based upon assumptions as to future events and conditions which the Managers believes to be reasonable, but which are inherently uncertain and unpredictable. The assumptions may prove to be incomplete or incorrect and unanticipated events and circumstances may occur. Because of these uncertainties and the other risks outlined in this Supplement, the actual results of the Property can be expected to be different than those projected, and the differences may be material and adverse. Potential Investors should consider the projections in light of the underlying assumptions to reach their own conclusions as to the reasonableness of those assumptions and to evaluate the projections on the basis of that analysis. The Managers, the Company, nor their attorneys or accountants, do not make any representation or warranty as to the accuracy or completeness of the projections in the Financial Forecast or their underlying assumptions.

3) **Risk as to Conversion Rate between US Dollars and Euros**. The conversion rate utilized in this Memorandum is 1 Dollar = .844 Euros. The actual conversion rate will be fixed based on the average rate to convert dollars to euros for the funding of the deposit and closing costs (including the purchase price). To the extent the Euro strengthens, then the amount of US dollars to be invested as part of this Offering will need to be increased. Also, there is the further risk that if the Euro further decreases in value, then distributions to Investors will be reduced when the net operating income in Euros, to be distributed to Investors, is converted to US Dollars. In addition, the opposite could happen if the Euro strengthens beyond the conversion rate utilized for the funding of this Offering and then in that case, the investor could receive higher distributions upon such conversion to US Dollars. There is no guaranty as to any such changes in the conversion rate and the impact it will have on investors.

4) **Projected Cash Flow**. Any projected cash flow or forward-looking statements included in this Supplement and all other materials or documents supplied by the Managers should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Supplement. The assumptions and facts upon which such projections are based are subject to variations that may arise as future events actually occur. The anticipated cash flows and returns described herein are based upon assumptions made by the Managers regarding future events. There is no assurance that actual events will correspond with these assumptions. This Supplement contains forward-looking statements that involve risks and uncertainties. The Property's actual results may differ significantly from the results anticipated or discussed in the forward-looking statements. Prospective Investors are advised to consult with their tax, financial and business advisors concerning the validity and reasonableness of any assumptions. Neither the Managers nor any other person or entity makes any representation or warranty as to the future profitability of the Company and/or any Investor's investment in the Company.

5) **Risk As to Capital Improvements and Repairs**. Based on the Property Condition Report prepared by SGS for the Property, it is projected that €3,781,000 (without including VAT) will be utilized to complete repairs/capital improvements for the Property over the 10-year forecast period. TEI also prepared its own cost estimate for repairs/capital improvements for the next ten (10) years. Such aggregate amount projected by TEI is €1,842,860 (without including VAT). The total estimated amount to be funded for capital improvements in the Financial Forecast, over the next ten (10) years, is €2,110,920 (not including VAT).

Such amount utilized in the Financial Forecast is significantly lower than the €3,781,000 estimated by SGS. If SGS estimates is accurate, this would result in a €1,670,080 deficiency during the next 10 years. Such deficiency could have a material impact on distributions to Investors. It could require the Company to retain more reserves from loan proceeds from the projected financing in the beginning of the 2nd year of operation or could necessitate a capital call upon the Investors.

However, the aggregate cost estimate by TEI for the next 10 years, at €1,842,860, is lower than the amount projected to be funded from loan proceeds and operating income. There is no guaranty as to the accuracy of either estimates as to the cost for capital improvements to be incurred over the next ten years. It is a material risk of this Offering if the SGS estimate, rather than TEI's cost estimate, in the end become the one closer to the actual amount ultimately incurred. Since plans and specifications have not yet been completed and the work has not been bid out, the actual construction costs for such planned repairs/improvements may be higher or lower than projected. Also, certain work that is not planned for completion in the short or medium terms, may, in fact, be required to be completed sooner than projected.

6) **Leasing Risks**. There are many leasing risks to consider in operating the Property which could adversely affect the performance of the Property. Some of these leasing risks, include but are not limited to, tenants may not renew their leases as anticipated, tenants may experience economic difficulties (including those resulting from COVID-19), which may necessitate a reduction or deferral in rent or a reduction of their space to retain any such tenant, a tenant may file for bankruptcy and reject their lease, it may take long to release space or to lease vacant space than projected and the Company may have to give more tenant concessions to attract or retain tenants than estimated, including those for free rent periods and tenant allowances for improvements. All of these leasing risks could ultimately affect the cash available for distribution to Investors.

7) **Risk as to the Regus Lease**. The Regus lease extends until May 31, 2026 at an annual rent currently at €267,450. The Regus lease is guaranteed based on a guaranteed maximum amount of €200,402.62. Worldwide, Regus leases are often guaranteed by a subsidiary of Regus and numerous guarantor (not the one for the Property) have filed for bankruptcy to avoid or reduce their guaranteed payments. In the Financial Forecast, €423,594 is included in the operating income for the Property for the Regus lease, consisting of ten (10) months of rental payments and €200,000 paid under this guaranty of the lease. There is no guaranty as to the amount that will be collected under the Regus lease and the actual amount could be less than the amount projected.

8) **Difficulty Attracting New Tenants**. There can be no assurance that the Company will be able to increase and maintain the occupancy level as projected in the Financial Forecast. The tenants may have the right to terminate their leases upon the occurrence of specified events. Further, the leases may contain exclusive use provisions that restrict the types of uses that may be allowed within the Property. Any covenants, conditions and restrictions for the Property may also restrict the ability to lease space within the Property for certain uses. In addition, it may be necessary to make substantial concessions, in terms of rent and lease incentives, and to construct tenant improvements to attract new tenants at the Property. If these expenditures and concessions are necessary to maintain or achieve lease-up at the Property and such expenditures exceed projections and/or the amount of reserves for the Property, (including loan proceeds funded pursuant to loans for the Property) then, this could affect the distributions to be made to the Investors.

9) **Risk as to Financing and Reduction of Invested Capital**. The Financial Forecast contains a financing for €6,500,000 at the beginning of the 2nd year of operation and the reduction of Invested Capital from €9,729,470 to €6,687,354. The projected interest rate is estimated to be 3.00% per annum. In addition, the projected loan provides for 1.50% amortization every year. There is no guaranty

as to the ability to obtain such financing based on the above terms and loan amount and to obtain such reduction of Invested Capital as projected in the Financial Forecast.

10) **Risk as to Cash Sweep for the Projected Financing**. As to the projected financing in the beginning of the 2nd year of operation, there is a risk that if the Property does not generate, over a trailing one year period, the required minimum debt service coverage ratio, stipulated in the loan documents ("**Minimum DSCR**"), then balance of the net operating income, if any, after payment of monthly debt service, reserves and operating expenses, shall be retained in a cash management account under the exclusive control of the lender until the Company can subsequently achieve the Minimum DSCR for the trailing 12 month period. If this occurs, then despite the fact that there may be net operating income for the Property, after payment of debt service, reserves and operating expenses, the Company will not be able to make any distributions to Investors. Debt service coverage ratio is generally defined as the ratio calculated as of the last day of the calendar month immediately preceding the applicable date of determination, the quotient obtained by dividing (1) the net cash flow by (2) the aggregate actual debt service (excluding reserve funds) projected over the twelve (12) month period subsequent to the date of calculation.

11) **Risk as to COVID-19 Pandemic**. Softness in Netherland's economy due to COVID-19 could materially and adversely impact the lease up of the Property (necessitating further increases in free rent periods and additional tenant improvements or allowances required to be completed or paid to attract new tenants and to retain existing tenants), and/or adversely affect rental collections. It is difficult to predict the likely impact of COVID-19 on the economic conditions in the Netherlands and the operation of the Property. As a result, there can be no assurance that the Property will achieve anticipated or projected occupancy and cash flow levels. The Managers will attempt to account for the current weakness of the economy created by COVID-19 and its likelihood for recovery in its investment strategy for the Property, but there is no guaranty as to the success or accuracy of such investment strategy. Right now, while the COVID-19 Pandemic still exists, it is almost impossible to accurately predict the long-term economic impact that it will have on the Property.

12) **Risks of Competition**. The Property will be operating in a competitive market. In the event that any of the tenants vacate their respective spaces on or prior to the expiration of their respective leases, the Company will be competing for tenants on the basis of location, access, rental rates, size and layouts of space, improvements offered or completed by the Company, amenities within leased space, the quality of the surrounding area and a variety of other factors. The success of the Company will depend to a large degree upon its ability to compete with other similar office properties, which in turn depends upon its ability to be competitive as to the foregoing factors. The failure of the Company to establish and maintain a favorable market position could have a material adverse effect on its profitability.

13) **Risks of Ownership.** The profitability of the Property is subject to general economic conditions, the management abilities of the managing agent, competition, desirability of the location of the Property, required repairs and

improvements and other factors. To remain competitive, continuing expenditures must be made to modernize, refurbish and maintain existing facilities. This increases the need for capital funds (whether from reserves, current cash flow or debt financing) and thereby increases the sensitivity of the investment to the cost and availability of such funds, while decreasing operating revenues to the extent that space at the Property remains vacant.

14) **Risks to Economic Conditions.** Period of economic slowdown or recession, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, could result in a general decline in real estate values, which could adversely affect the operation, financial position, cash flow and/or ability to satisfy debt obligations and to make distributions to the Investors.

15) **Uninsured Losses**. The Company will try to maintain adequate insurance coverage against liability for personal injury and property damage. However, there can be no assurance that insurance will be sufficient to cover any such liabilities. Furthermore, insurance against certain risks, such as earthquakes, floods and/or terrorism, may be unavailable or available at commercially unreasonable rates or in amounts that are less than the full market value or replacement cost of the Property. In addition, there can be no assurance that particular risks that are currently insurable will continue to be insurable on an economical basis or that current levels of coverage will continue to be available. If a loss occurs that is partially or completely uninsured, the Company may lose all or part of its investment. The Company may be liable for any uninsured or underinsured personal injury, death or property damage claims. Liability in such cases may be unlimited but Investors will not be personally liable.

16) **Environmental Liabilities are Possible and Can be Costly.** Dutch law imposes liability on a landowner for the presence on a property of improperly disposed or released hazardous substances and wastes. This liability is without regard to fault for or knowledge of the presence or release of such substances and may be imposed jointly and severally upon all succeeding landowners. The Company cannot guaranty that as to the levels of hazardous substances and/or wastes that currently exist and/or that could be discovered on the Property during the Company's ownership or after sale to a third party. If such additional and/or higher levels of hazardous substances or wastes are discovered on the Property, the Company may be required to remove those hazardous substances and clean up the Property, and the Company, may incur liability for the entire cost of any such removal and cleanup. The Company cannot guaranty that the cost of any such required removal and cleanup, if it were to occur, or that the Company could recoup any such costs from a third party. The Company could also be liable to tenants and other users of the Property and to owners, tenants or users of neighboring properties, and it may find it difficult or impossible to sell the Property prior to the completion of such remediation or clean up. Obtaining financing for the Property prior to the completion of such clean-up or remediation may be more difficult or costly. Without undertaking any further due diligence, the Managers are not aware of and have not received any written notice from any governmental authority pertaining to any required cleanup or remediation of hazardous substances and wastes at the Property, but there is no guaranty of such result. The Financial Forecast for the Property does not contain any expenses for any such environmental remediation or removal of hazardous substances and wastes. To the extent there are costs for

any such remediation or removal, this could affect or reduce distributions to Investors.

17) **<u>Risk as to VAT</u>**. The value added tax ("**VAT**") is assessed on rents and goods and services. The rate for VAT is 21%. Generally, unless you are an exempt tenant, the tenants pay VAT as part of their rent. The Financial Forecast does not include any additional expense for VAT. It is anticipated, but not guaranteed, that revenues generated by the Property will offset any VAT tax expenses on goods and services. As a result of the initial occupancy level being approximately 30% and until a significantly higher occupancy level is achieved, the Company would have to pay VAT in excess of the offsetting revenues for the Property and this amount could be significant.

THE ABOVE POTENTIAL RISKS ARE NOT INTENDED TO BE AN EXHAUSTIVE LIST OF POTENTIAL AREAS OF RISK AND MEMBERS OF THE FUND INVESTORS ARE URGED TO CONSIDER SUCH RISKS ALONG WITH THE OTHER RISKS SET FORTH IN THE MEMORANDUM.

FINANCIAL FORECAST FOR NETHERLANDS SCHIPHOL

Schiphol			15,273	SM	$/SF 164,948
Purchase Price		€	8,500,000	556.54	51.53
Transfer Tax	6.00%	€	510,000	33.39	3.09
Acquisition Fee	2.00%	€	170,000	11.13	1.03
Closing Costs	1.00%	€	85,000	5.57	0.52
TI/LC Year 1		€	913,088	59.78	5.54
Capex Year 1		€	236,912	15.51	1.44
Working Capital Reserve	2.06%	€	174,720	11.44	1.06
TEA Interest (Year 1)		€	98,000	6.42	0.59
Fixd Free Rent		€	441,750	28.92	2.68
Total Closing Costs		€	11,129,470 €	728.70	67.47

TI/LC/Capex	€	1,960,384	128.36	11.88
Total Project Costs	€	13,089,854	857.06	79.36

TEA Bridge

Loan proceeds	€	1,400,000
Interest Rate		7.00%
Interest Payment Year 1	€	98,000

Market Leasing Assumptions

Renewal Prob	75%
Market Rent	125
Months Vacant	12
Tenant Improvements	10% of Term Rent
Leasing Commissions	24% of year 1
Rent Abatements	6/6-
Reimbursements	None
Term Length	5 Years

Financing Year 2

Loan Amount		€	6,500,000
Mortgage Costs	1.50%	€	97,500
TEA Payoff		€	1,400,000
TI/LC Year 2		€	435,498
TI/LC Year 3		€	261,798
Capex		€	1,263,088
Loan Proceeds		€	3,042,116
Equity		€	9,729,470
Equity After Financing		€	6,687,354
Rate			3.00%
Amort.			1.50%
Debt Service		€	292,500

Deal Level		At Closing	Year 1	Year 2 (Refinance)	Year 3	Year 4	Year 5
Total Deal Capitalization	€	11,129,470	€ 11,129,470	€ 13,089,854	€ 13,089,854	€ 13,089,854	€ 13,089,854
Equity	€	9,729,470	€ 9,729,470	€ 6,687,354	€ 6,687,354	€ 6,687,354	€ 6,687,354
Debt	€	1,400,000	€ 1,400,000	€ 6,500,000	€ 6,500,000	€ 6,500,000	€ 6,500,000
			Year 1	Year 2	Year 3	Year 4	Year 5
			2021	2022	2023	2024	2025
Occupancy Level			41.20%	57.33%	78.98%	84.23%	83.88%
Revenue							
Rental Revenue			€ 2,196,740	€ 1,990,724	€ 1,992,067	€ 1,982,188	€ 2,004,618
Free Rent			€ -	€ (271,072)	€ (178,139)	€ (119,428)	€ (62,364)
Absorption and Turnover			€ (1,346,146)	€ (826,929)	€ (413,378)	€ (314,847)	€ (326,535)
Regus Guarantee Income				€ 200,000			
EGI			€ 850,594	€ 1,092,723	€ 1,400,550	€ 1,547,913	€ 1,615,719
Expenses							
Landlord Property Charges		4.00%	€ 87,870	€ 79,629	€ 79,683	€ 79,288	€ 80,185
OpEx		7.00%	€ 59,542	€ 76,491	€ 98,039	€ 108,354	€ 113,100
Property Management Fee		2.00%	€ 17,012	€ 21,854	€ 28,011	€ 30,958	€ 32,314
Asset Management Fee		1.50%	€ 12,759	€ 16,391	€ 21,008	€ 23,219	€ 24,236
Opex on Vacant Space	€	20.00	€ 179,602	€ 130,353	€ 64,200	€ 48,175	€ 49,225
Total Expenses			€ 356,784	€ 324,718	€ 290,940	€ 289,993	€ 299,060
NOI			€ 493,810	€ 768,005	€ 1,109,610	€ 1,257,920	€ 1,316,659
Cap Rate		8.58%	4.44%	5.87%	8.48%	9.61%	10.06%
Structural Reserves	€	4.00	€ 61,092	€ 61,092	€ 61,092	€ 61,092	€ 61,092
Tenant Improvements	€	10.18	€ -	€ -	€ -	€ 155,462	€ 155,462
Leasing Commissions	€	4.89	€ -	€ -	€ -	€ 74,622	€ 74,622
Totals			€ 61,092	€ 61,092	€ 61,092	€ 291,176	€ 291,176
Net Cash Flow			€ 432,718	€ 706,913	€ 1,048,518	€ 966,744	€ 1,025,483
Unlevered Returns		6.87%	3.89%	5.40%	8.01%	7.39%	7.83%
Debt Service Beginning Year 1			€ -	€ 292,500	€ 288,113	€ 283,791	€ 279,534
DSCR			0.00	2.63	3.85	4.43	4.71
Leveraged Cash Flow			€ 432,718	€ 414,413	€ 760,405	€ 682,953	€ 745,949
Leveraged Returns		9.43%	4.45%	6.20%	11.37%	10.21%	11.15%
Equity			€ 9,729,470	€ 6,687,354	€ 6,687,354	€ 6,687,354	€ 6,687,354

Deal Level	Year 6	Year 7	Year 8	Year 9	Year 10
Total Deal Capitalization	€ 13,089,854	€ 13,089,854	€ 13,089,854	€ 13,089,854	€ 13,089,854
Equity	€ 6,687,354	€ 6,687,354	€ 6,687,354	€ 6,687,354	€ 6,687,354
Debt	€ 6,500,000	€ 6,500,000	€ 6,500,000	€ 6,500,000	€ 6,500,000
	Year 6	Year 7	Year 8	Year 9	Year 10
	2026	2027	2028	2029	2030
Occupancy Level	80.88%	78.38%	81.33%	83.09%	83.88%
Revenue					
Rental Revenue	€ 2,043,893	€ 2,081,688	€ 2,102,115	€ 2,132,633	€ 2,163,748
Free Rent	€ (59,703)	€ (350,570)	€ (258,612)	€ (130,468)	€ (59,171)
Absorption and Turnover	€ (393,242)	€ (451,319)	€ (395,486)	€ (363,575)	€ (351,771)
Regus Guarantee Income					
EGI	€ 1,590,948	€ 1,279,800	€ 1,448,017	€ 1,638,590	€ 1,752,806
Expenses					
Landlord Property Charges	€ 81,756	€ 83,268	€ 84,085	€ 85,305	€ 86,550
OpEx	€ 111,366	€ 89,586	€ 101,361	€ 114,701	€ 122,696
Property Management Fee	€ 31,819	€ 25,596	€ 28,960	€ 32,772	€ 35,056
Asset Management Fee	€ 23,864	€ 19,197	€ 21,720	€ 24,579	€ 26,292
Opex on Vacant Space	€ 58,405	€ 66,040	€ 57,015	€ 51,640	€ 49,225
Total Expenses	€ 307,210	€ 283,687	€ 293,141	€ 308,997	€ 319,820
NOI	€ 1,283,737	€ 996,113	€ 1,154,875	€ 1,329,593	€ 1,432,986
Cap Rate	9.81%	7.61%	8.82%	10.16%	10.95%
Structural Reserves	€ 61,092	€ 61,092	€ 61,092	€ 61,092	€ 61,092
Tenant Improvements	€ 155,462	€ 155,462	€ 155,462	€ 155,462	€ 155,462
Leasing Commissions	€ 74,622	€ 74,622	€ 74,622	€ 74,622	€ 74,622
Totals	€ 291,176	€ 291,176	€ 291,176	€ 291,176	€ 291,176
Net Cash Flow	€ 992,561	€ 704,937	€ 863,699	€ 1,038,417	€ 1,141,810
Unlevered Returns	7.58%	5.39%	6.60%	7.93%	8.72%
Debt Service Beginning Year 1	€ 275,341	€ 271,211	€ 267,143	€ 263,136	€ 259,188
DSCR	4.66	3.67	4.32	5.05	5.53
Leveraged Cash Flow	€ 717,221	€ 433,727	€ 596,557	€ 775,281	€ 882,622
Leveraged Returns	10.73%	6.49%	8.92%	11.59%	13.20%
Equity	€ 6,687,354	€ 6,687,354	€ 6,687,354	€ 6,687,354	€ 6,687,354

Rent Roll Income Without Regus	€	865,880
Adjusted Expenses Year 1	€	353,427
NOI	€	**512,453**
Total Costs (No Capex)	€	10,892,558
Cap-Rate		4.70%

Rent Roll Income With Regus	€	1,133,330
Adjusted Expenses Year 1	€	338,709
NOI	€	**794,621**
Total Costs (No Capex)	€	10,892,558
Cap-Rate		7.30%

GENERAL METHODOLOGY USED FOR FINANCIAL FORECASTS OF OPERATION OF BOEINGAVENUE 50-68 & BEECHAVENUE 54-100 FOR THE PERIOD FROM DECEMBER 2020 THROUGH NOVEMBER 2030

The Financial Forecasts are provided only for the purpose of illustrating how the Property might perform provided that all assumptions are realized. The projections and calculation of returns to investors contained herein do not constitute any representation, warranty or guaranty as to the performance of the Property. The assumptions are as follows:

Forecast Period: Operations are projected for a 10-year period, commencing in December 2020. The annual periods in the forecasts are from December 2020 through November 2030.

TEA Loan: The TEA Loan will fund leasing costs and capital improvements incurred during the first year of operation. The projected total amount to be advanced is €1,400,000. Interest Rate is projected to be 7.00% per annum. TEA Loan will be paid off from the projected financing set forth below.

Projected Financing: The Financial Forecast contains a financing at the beginning of the second year of operation in the projected amount of €6,500,000. The terms of such financing in the Financial Forecast are assumed to be as follows:

Financing Projections

- Amount: €6,500,000
  Time Period: The projected financing is estimated to occur at the beginning of the 2nd year.
- Fixed Interest Rate: 3.00%
- Amortization Schedule: 1.50% per annum
- Closing Costs: 1.50% of the loan amount or €97,500
- Amount to Pay off TEA Loan: €1,400,000
- Reserve for Leasing Costs: €697,296
- Reserve for Capex: €1,263,088
- Projected Reduction of Invested Capital: Proceeds of such financing are projected to reduce the total Invested Capital from €9,729,470 to €6,687,354

Leasing Assumptions: The Financial Forecast includes the following leasing assumptions:

	Rent Assumptions	
Building	**Market Rent**	**Renewal Downtime**
Boeingavenue 50-68	€125	12 months
Beechavenue 54-100	€125	12 months

Building	Term	Tenant Improvements	Leasing Costs	Rent Abatements	Renewal Probability
Boeingavenue 50-68	5 Years	10% of Rent	24% of Year 1	New/Renew = 6 Months	75%
Beechavenue 54-100	5 Years	10% of Rent	24% of Year 1	New/Renew = 6 Months	75%

Regus and Fiod Leases: Regus Lease. The Financial Forecast assumes €423,594 will be collected under the Regus lease, consisting of ten (10) months of rental collections equal to €223,594 and €200,000 under the guaranty of this lease.

Fiod Lease. €441,750 of the Invested Capital is included to pay rent under the Fiod lease during the fifteen (15) month free rent period, spread out over the five (5) year lease term.

Management and
Asset Management Fees: The Financial Forecast includes a management fee of 2.00% for the collected rents to be paid to a third-party manager and an asset management fee of 1.5% of the EGI to be paid to Time Equities, Inc.

Leasing Reserves: In the Financial Forecast, a government credit tenant (Fiod) is expected to lease 3,009 sqm or 32,389 square feet, with a projected rent commencement date of 8/1/2021. The Financial Forecast includes leasing costs in the first year for this tenant in the amount of €913,088. It is projected that these costs will be funded through the TEA loan.

Leasing costs during the second and third years of operation are projected to be €435,498 and €261,798

Leasing costs during the first three years are projected to be €1,610,384. The first year of leasing costs are expected to be funded through the TEA loan and the leasing costs in years 2-3 are projected to be funded through the financing projected to occur in the beginning of the 2nd year of operation.

The Property is projected to stabilize during the fourth year of operation at an occupancy level of approximately 85%. Starting in the fourth year of operation, it is expected that there will be an annual leasing cost reserve deducted from cash flow which, for the 4th-10th years of operation, is projected to be **€230,084.**

Working Capital
Reserve: The Invested Capital includes a working capital reserve of **€174,720**. Such working capital reserve can be utilized for unbudgeted operating expenses, capital improvements and leasing costs. In the Financial Forecast, such working capital reserve is not projected to be utilized.

Capital Improvement
Reserves: **€1,500,000** of capital improvements for the Property are projected to be funded from both the TEA Loan during the first year of operation, and through financing proceeds during 2nd and 3rd years of operations. The Financial Forecast also includes an annual reserve for capital improvements in the amount of €61,092 per year for the entire ten (10) year forecast period (based on €4.00 per square meter or 37 cents per square foot). Such reserve amount is projected to be funded from operating income. It is projected in the Financial Forecast that the entire amount of such capital improvement reserve will be utilized.

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