

**Project Supplement No. 1  
(Dated December 18, 2025)  
to the Supplement  
of TEI Diversified Income & Opportunity Fund VII, LLC,  
dated July 1, 2025 and amended by that Addendum #1 dated November 13, 2025**

This Project Supplement No. 1 (this “**Supplement**”) dated December 18, 2025 modifies and supplements the Confidential Private Placement Memorandum of TEI Diversified Income & Opportunity Fund VII, LLC dated July 1, 2025 and amended by that Addendum #1 dated November 13, 2025, and should be read only in conjunction with the Memorandum previously issued. Terms with initial capitals not otherwise defined in this Supplement have the meanings set forth in the Memorandum.



**Supplement**

This Project Supplement pertains to the acquisition of the property located at 7800 Records Street, Indianapolis, Indiana (the “**Property**”).

## Acquisition and Business Plan

The Property is an industrial building totaling approximately 115,077 gross square feet set on approximately 5.75 acres of land located on the Northeast section of Indianapolis, Indiana. The building was constructed in phases between 1998 and 2006, with significant renovations and partial roof replacements completed in 2012 and 2022. The Property was purchased by a tenancy in common consisting of 7800 Records TEI Equities LLC, 7800 Records Patricia Lane LLC, 7800 BTTC 1100 Boston Ave LLC, 7800 Amherst Portfolio LLC, and 7800 Records CH Equities LLC, as tenants in common (collectively, the “**7800 Records TIC**”) on December 17, 2025. The Fund invested \$552,911.50 of the total Invested Capital for a 50% membership interest in 7800 Records TEI Equities LLC, which owns a 23.2064% tenancy in common ownership interest in the Property.

The Property is currently 100% occupied by two tenants. The largest tenant is BestDrive, LLC (“**BestDrive**”) a wholly owned subsidiary of Continental Tire. BestDrive occupies approximately 77% of the Building and is currently paying a base rent of \$4.48 per square foot on a net basis. The second tenant is Records Street Printing LLC a/k/a Team Image (“**Team Image**”) who occupies the remaining 23% of the building and is currently paying a base rent of \$4.41 per square foot on a net basis.

BestDrive’s base rent is scheduled to increase by 3.00% on April 1, 2026, and their lease expires on March 31, 2027. BestDrive has one five-year renewal option, with 3.00% annual rent escalations during such renewal term. Team Image’s original lease was scheduled to expire on December 31, 2026, but on August 14, 2025, Team Image executed a five-year renewal of the term of their lease which shall commence January 1, 2027 at a starting rent of \$6.25 per square foot, with 4.00% annual rent escalations. The Team Image lease therefore now expires on December 31, 2031. See section titled “Description of Existing Tenants” on page 5 below for additional information.

The purchase price for the Property was \$6,900,000, which equates to \$59.96 per square foot on a gross basis. According to the Cushman Wakefield Q2 2025 Indianapolis industrial market statistics report (the “**Cushman Report**”), the current average market rental rate for industrial properties on the Northeast side of Indianapolis, IN is \$7.94 per square foot net. This market research suggests, but does not guarantee, that there may be an opportunity to raise the BestDrive rent closer to the current average market rental rate upon the expiration of their existing lease.

The projected going-in cap rate for the purchase of the Property based on the Purchase Price and projected year-1 net operating income is 6.16%. The closing date for the purchase of the Property was December 17, 2025.

The primary business plan is to collect the projected cash flow from the existing leases and seek to strategically increase rents closer to market rates as the leases expire. The Financial Forecast attached hereto as Exhibit I (the “**Financial Forecast**”) assumes that BestDrive will elect to renew the term of their lease upon expiration in March 2027 (given their below-market rent compared to the market rate rent indicated above) at a base rental rate of \$8.22 per square foot increased at 3.00% annually. The Financial Forecast also assumes that Team Image will renew their lease at their current rental rate, with 3.00% annual increases upon their lease expiration in 2031.

The acquisition of the Property was capitalized with \$4,865,148 of Invested Capital and an acquisition bridge loan in the amount of \$2,371,101 from Time Equities Associates LLC (the “**Acquisition Bridge Loan**”) which is wholly owned by Francis Greenburger. The proceeds of the Acquisition Bridge Loan will be used to fund the purchase price, closing costs, working capital, and other transaction-related expenses. The Acquisition Bridge Loan is expected to bear interest at 6.00% for the first three months post-closing and adjusting to the Wall Street Journal Prime Rate plus 300 basis points thereafter and will mature twelve months after the Property’s acquisition. The Acquisition Bridge Loan is prepayable at any time without penalty. As of the date of this memorandum, the Wall Street Journal Prime Rate is 7.00%.

The Financial Forecast assumes that the Acquisition Bridge Loan will be fully repaid within twelve months after the Property is acquired through the proceeds of a permanent first mortgage in the amount of \$3,800,000 (“**Permanent Loan**”), expected to be provided by Morgan Stanley or, at its discretion, one of its affiliates, successors, or assigns. The Permanent Loan is projected to have a 10-year term, interest-only, and carry an interest rate equal to the ten-year U.S. Treasury plus 200 basis points. As of the date hereof, the U.S. Treasury rate is 4.186%. The Permanent Loan Proceeds will be used to increase capital reserves at the Property, pay for the closing costs of the Permanent Loan, and reduce Invested Capital to \$3,649,819.

**Building Description:**

ADDRESS:	7800 Records St, Indianapolis, Indiana 46226
GROSS SQUARE FEET:	+/- 115,077
RENTABLE AREA:	+/- 112,300
YEAR BUILT:	In phases in 1998, and 2006
STRUCTURE:	Steel-framed, Concrete masonry
FOUNDATION:	Concrete slab-on-grade, spread footings, shallow foundation system
ROOF:	Thermoplastic Polyolefin, and Metal
LIGHTING:	Fluorescent and light-emitting diode (LED) fixtures.
ELECTRICAL:	Pole-mounted transformer
CEILING HEIGHT:	12’- 24’
LOADING DOCKS:	11 loading docks and 5 drive-in garage doors.

**Regional Description and Property Location**

The Property is located in the city of Indianapolis, which is the capital of Indiana, and serves as the county seat of Marion County. The Property is situated approximately 23.3 miles northeast of Indianapolis International Airport (IND). According to World Population Review, Indianapolis is projected to have a 2025 population of approximately 892,000.

Indianapolis offers numerous attractions including the legendary Indianapolis Motor Speedway, White River State Park, Indianapolis Zoo, NCAA Hall of Champions, and Indiana State Museum.

Indianapolis is situated within the Indianapolis-Carmel-Anderson metropolitan area with an estimated population of 2,141,779 according to Federal Reserve Economic Data. According to U.S. Bureau of Labor Statistics, as of 2024 the Indianapolis-Carmel-Anderson metropolitan area has total employment of approximately 1,098,033 and an unemployment rate of approximately 3.8%, which is below the national average of 4.6%. Key industries driving employment in the area include logistics, manufacturing, information technology, and life sciences.

**Existing Tenants of the Property**

The schedule below summarizes the existing tenants at the Property, including the leased square footage, lease expiration dates, rental rates per square foot, and lease types for each such tenant:

<u>Tenants</u>	<u>Square Footage</u>	<u>Lease Expiration</u>	<u>Rent PSF</u>	<u>Lease Type</u>
BestDrive	88,298	03/31/2027	\$4.48	Net
Team Image*	26,779	12/31/2031	\$4.31	Net
<b>Total Occupied Square Footage</b>	<b>115,700</b>			
<b>Current Occupancy Rate</b>	<b>100%</b>			

\* Team Image executed an early 5-year renewal beginning January 1, 2027, at \$6.25/SF with 4% annual increases, extending their lease through December 31, 2031.

**Description of Existing Tenants:**

**BestDrive, LLC**

BestDrive is a commercial tire and service network owned by Continental Tire the Americas, LLC. According to the Continental Tire the Americas, LLC website, the company provides comprehensive tire solutions for fleets and commercial customers, including the sale of new Continental and General brand tires, retread manufacturing through Continental’s ContiTread program, and fleet tire management services.

**Records Street Printing LLC a/k/a Team Image**

Records Street Printing LLC is a Lawrence, Indiana-based print and fulfillment company operating from a 30,000 SF facility. Founded in 2021 as a sister company to Team Image, it offers screen printing, embroidery, and order-fulfillment services to both local and national clients.

**Estimated Uses for the Invested Capital**

The following is the projected sources and uses for the capitalization of the acquisition of the Property from Invested Capital:

**SOURCES**

The total Invested Capital is projected to be **\$4,865,148**.

The estimated uses of Invested Capital are:

Purchase Price	\$6,900,000
Acquisition Legal Fees	\$35,000
Due Diligence Costs	\$46,250
TEI Acquisition Fee	\$138,000
Working Capital/ Capital Expense Reserve	\$100,000
Title Insurance and Survey Costs	\$17,000
<b>Total Capitalization</b>	<b>\$7,236,250</b>

Due Diligence costs include the cost for the property condition and zoning reports, the environmental assessment, travel costs, survey and interest on the Acquisition Bridge Loan to fund such items and the deposit under the purchase agreement.

**Financial Forecast**

Attached hereto as Exhibit 1 is the ten (10) year Financial Forecast for the Property. 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 amount shown in the projections.

Under the Financial Forecast, the following is the projected return on the amount of the Invested Capital, without regard to the profit participation payable to the Managers.

## PROJECTED RETURNS AT THE PROPERTY LEVEL

The following are the projected Property returns on Invested Capital on a leveraged basis:

Returns on Invested Capital	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	6.16%	6.68%	7.11%	7.56%	8.03%	8.22%	12.55%	15.79%	16.52%	17.30%

The Financial Forecast for the Property projects an average annual leveraged return over 10 years from net cash flow of **10.59%**.

**As noted above, returns are at the property level and do not reflect the fees to be paid to the Managers as set forth in the Fee Agreement (described below) and/or the distribution formula for cash available for distribution pursuant to the terms of limited liability companies that acquire an interest in the Property or by the entities that become owners of the Property upon any subsequent roll up of the 7800 Records TIC into one entity, as described below.**

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

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

**THERE IS NO GUARANTEE THAT THIS INVESTMENT WILL GENERATE THE ABOVE RETURNS OR RESULT IN THE PROJECTED RETURN ON THE INVESTED CAPITAL.**

### Permanent Mortgage Financing

The Financial Forecast includes a projected Permanent Loan financing during the first year of operations in the amount of \$3,800,000, based on an estimated loan to value ratio (based on the Purchase Price) of 55.00%. The Financial Forecast assumes that such loan proceeds will be used to pay off the Acquisition Bridge Loan, pay the loan closing costs, increase capital reserves, and reduce Invested Capital.

Below is a schedule of the projected estimated amount of Invested Capital in the 7800 Records TIC over the 10-year Financial Forecast.

The projected terms of the permanent mortgage loan are anticipated to be as follows:

Loan Amount:	\$3,800,000
Loan to Value Ratio:	55.00%
Interest Rate:	The ten-year U.S. Treasury plus 200 basis points, assumed to be a total rate of 6.186%
Interest Only Period:	120 Months

Monthly Payments:	Interest payments of \$19,589.00.
Term:	10 Years
Closing Costs:	\$63,750
Projected Use of Net Loan Proceeds:	Net loan proceeds are projected to pay off the Acquisition Bridge Loan, fund a \$125,000 capital reserve holdback, pay the closing for the Loan of \$73,750, and reduce invested capital by \$1,230,148.

**THERE IS NO GUARANTEE THAT THIS INVESTMENT WILL GENERATE THE ABOVE RETURNS OR RESULT IN THE PROJECTED RETURN ON THE INVESTED CAPITAL**

### **No Guaranty as to the Mortgage Financings**

There is no guaranty as to the ability to obtain the Acquisition Bridge Loan and/or the Permanent Loan as projected in the Financial Forecast and any change in the loan amount and/or terms for such loan could have a material impact on the distributions to be made to Investors, either positively or negatively. As of the date of this Supplement, the Sponsor has not received a loan commitment from a lender for the Permanent Loan and the Sponsor is currently evaluating indications of interest. Moreover, the Permanent Loan, depending on market conditions and in the Managers sole discretion, could be a higher or lower loan amount which would impact the amount of equity and Invested Capital required to close on the acquisition of the Property and either negatively or positively affect Investor returns.

### **Additional Reserve for Capital Improvements, Tenant Improvements and Leasing Commissions**

The Financial Forecast includes an annual capital reserve of \$40,277 (\$0.35 PSF) in years 1 to 6 and \$70,277 (\$0.61 PSF) in years 7-10. In addition, the Financial Forecast projects average annual reserves for tenant improvements during years 1-10 in the amount of \$14,773 (\$0.10 per occupied square foot) and average annual reserves for leasing commissions at \$14,721 (\$0.18 per square foot) in years 1-10. The aggregate average amount of such annual reserves in years 1-10 is approximately \$78,103. Such reserves are projected to be funded from the operating income of the Property.

### **Working Capital**

The Financial Forecast includes an initial working capital reserve of \$100,000 to be funded from Invested Capital. It is anticipated such working capital reserve will be used to pay for any additional costs for the first year planned capital expenses or other unbudgeted operating expenses, capital improvements, tenant improvements and other leasing costs.

### **Management and Leasing of the Property**

The Property will be managed by Colliers International. The estimated management fee is the greater of 3.00% of total revenue collected or \$2,000 per month. In addition, Time Equities, Inc., an affiliate of the Manager, will provide asset management services for a fee equal to 1.50% of total revenue collections.

Sponsor anticipates engaging Colliers International as the leasing agent for the Property.

### Property Condition Report

A Property Condition Report (“PCR”) for Property was completed by TRC Companies, Inc. (“TRC”) in September 2025. In the PCR, TRC indicated that the Property was in good overall condition.

Attached hereto as Exhibit 2 is a projected replacement reserve schedule for immediate repairs of \$20,500 as well as a 10-year replacement reserve period, in the estimated amount of \$493,450 (on an uninflated basis). Such improvements may be funded from a combination of the sources as set forth below.

### POTENTIAL FUNDING SOURCES OF FUNDS FOR CAPITAL IMPROVEMENTS

• Working Capital	\$100,000
• Replacement Reserves from Operating Income (based on 10 years)	\$522,770
<b>TOTAL</b>	<b>\$622,770</b>

Notwithstanding the foregoing, although the Financial Forecasts assumes \$622,770 for projected capital replacements (versus the \$513,950 recommended by TRC on an uninflated basis) there is no guaranty as to the adequacy of funds to complete these or other improvements that will be required to be completed over either the 10-year Financial Forecast or the 10-year period in the PCR. Since plans and specifications have not yet been completed and the ultimate work required is unknown or speculative and has not been completely bid out, the actual construction costs for such repairs and/or improvements may be higher or lower than projected. Also, certain work that is not planned for completion in the immediate or short term or as projected in the PCR, may, in fact, be required to be completed sooner or later than projected. Work that is necessary in addition to, sooner or at a higher cost than what is projected could greatly reduce projected returns or even cause a loss of Invested Capital.

### Environmental Condition

A Phase I Environmental Site Assessment (“Phase I”) was conducted by Lyn-Douglas Inc. (“Lyn-Douglas”) in September 2025, which recommended a subsurface investigation for further evaluation of the Property. A Phase II Limited Subsurface Investigation (“Phase II”) was completed by Lyn-Douglas in October 2025. The Phase II scope of work included soil and groundwater sampling to evaluate potential chlorinated volatile organic compound impacts, as well as a ground-penetrating radar survey to assess for subsurface anomalies previously reported. All analytical results were below laboratory reporting limits, and no anomalies or buried tanks were identified within the area scanned just north of the site building.

Based on the findings of this investigation and prior data collected between 2019 and 2024 by others, Lyn-Douglas concluded that no additional subsurface investigation or monitoring is warranted at this time.

### **SOME RISK FACTORS TO BE CONSIDERED**

This 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. Reference in this special Risk Section to the terms: (i) “**Company**” shall mean the Company or Co-Owner in which an Investor will become a Member or the sole Member as to those Investors who want to use their investment to undertake a 1031 or 1033 like kind exchange; (ii) “**Member**” or “**Members**” shall mean the Member(s) in a Company or a Co-Owner; (iii) “**Membership Interests**” shall mean the Membership Interests to be acquired by an Investor in a Company, which may include a sole membership interest for those Investors looking to use this Property to complete a 1031 or 1033 like kind exchange; (iv) “**Rolled Up Entity**” shall mean the limited liability company to which the 7800 Records TIC is ultimately rolled up into as the owner of the Property; and (v) any reference to the 7800 Records TIC or the Co-Owners shall mean the Rolled Up Entity after the roll up of the 7800 Records TIC into the Rolled Up Entity. Prospective Investors should carefully consider the following additional risk factors:

- 1) **Variiances from the Financial Forecast.** The Financial Forecast presents the Managers’ estimate of the expected operating results of the Property for the 10-year forecast periods. 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 considering 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. Neither the Managers, the Co-Owners, nor their attorneys or accountants make any representation or warranty as to the accuracy or completeness of the projections in the Financial Forecast or their underlying assumptions. **DUE TO THE LASTING IMPACT OF COVID-19 AND/OR A DETERIORATION IN ECONOMIC CONDITIONS, DEMAND COULD BE GREATLY REDUCED AND PROJECTED RETURNS COULD BE NEGATIVELY IMPACTED CAUSING A LOSS OF INVESTED CAPITAL.**
  
- 2) **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 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 7800 Records TIC and/or any Investor's investment in the Company.

3) **Mortgage Risk.**

The Financial Forecast includes a permanent mortgage loan which is projected to take place in the second half of Year-1 of operations. The interest rate for the Permanent Loan is estimated at 6.186% per annum. The actual rate has not yet been fixed and may be higher or lower than this estimated interest rate. The debt service payments are projected to consist of interest only payments. Such annual debt payments are estimated to be \$235,086. Loan proceeds are projected to be used to pay off the Acquisition Bridge Loan of \$3,800,000. There is no guaranty as to the amount and terms of such Permanent. Any change in the actual valuation of the Property, the loan amount, interest rate, amortization schedule or other payment terms from those used in the Financial Forecast will have an effect on the net cash flow, after debt service, either positively or negatively. Negative impacts could reduce projected returns and cause a loss of Invested Capital.

4) **Risk as to Capital Improvements and Repairs.**

The PCR Report estimated repairs or improvements that would be required for the Property over a 12-year period in the amount of \$513,950. The potential estimated sources for funding of such capital improvements, over a 10-year period, consists of the following:

• Working Capital	\$100,000
• Replacement Reserves from Operating Income	\$522,770
<b>TOTAL</b>	<b>\$622,770</b>

The actual cost of capital improvements during such 10-year period, could vary greatly from the amounts set forth above and such variations could either positively or negatively impact returns to Investors.

5) **Risks Regarding Not Funding a Capital Call.** In the event that net cash flow, reserves, are unavailable or insufficient to adequately cover capital requirements, leasing costs, and/or other unbudgeted operating expenses a capital call may be requested by the Managers to the Members to fund any such deficiency, on a pro rata basis. In the event a member of any Co-Owner with multiple members and/or members of the Rolled Up Entity fails to contribute their pro rata share of any such required capital call such non-contributing member is subject to the dilution of their membership percentage interest equal to 150% of the amount such non-contributing member failed to contribute. In the event a Tenant-in-Common Owner fails to fund a capital call, please see subsection titled "Additional Funds". in the Section titled "Tenants in Common Agreement".

6) **Risk as to Cash Sweep if the Projected Financing is a CMBS Loan.** To the extent any mortgage loan is a CMBS (commercial mortgage back securities) Loan, then there is a risk

that if the Property does not generate, over a trailing six month or one year period, the required minimum debt service coverage ratio, stipulated in the loan agreement (generally between 1.10x to 1.50x, but could be higher) (“**Minimum DSCR**”), then balance of the net operating income, if any, after payment of monthly debt service, reserves and operating expenses, as set forth in the budget for the Property approved by the lender, shall be retained in a cash management account under the exclusive control of the lender and its servicer until the 7800 Records TIC can subsequently achieve the Minimum DSCR for the stipulated trailing period in the loan agreement. 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 7800 Records TIC will not be able to make any distributions to Investors. Also, the amount of this cash reserve held by the Lender will be a larger amount to the extent the Minimum DSCR is higher. 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 either a six (6) or twelve (12) month period subsequent to the date of calculation. It is uncertain at this time as to whether the Permanent Loan will be a CMBS Loan.

- 7) **Risk as to Lease Rollovers.** Within the next ten (10) years 100% of the existing leases come to an end. The Financial Forecast assumes that upon expiration of the current leases, tenants will either renew their lease or the vacant space will be leased at an assumed market rate of \$6.50 per square foot net. If the Property is vacant for longer periods of than projected and/or future rental rates are less than projected, the actual returns could be significantly less than projected and cause a loss of Invested Capital.
- 8) **Risk as to Occupancy Levels.** In the Financial Forecast it is assumed that the average economic occupancy level, during the 10-year forecast period, will be 100% in the first year of the Financial Forecast and then 96.00% for Years 2-10. There is no guaranty as to the actual and/or economic occupancy levels that can be achieved for the Property. Lower occupancy levels could cause the net cash flow to drop, and this could reduce the return paid to Investors on their Invested Capital.

**DUE TO A DETERIORATION IN ECONOMIC CONDITIONS, DEMAND COULD BE GREATLY REDUCED AND PROJECTED RETURNS COULD BE NEGATIVELY IMPACTED CAUSING A LOSS OF INVESTED CAPITAL.**

- 9) **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, 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 7800 Records TIC 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 these leasing risks could ultimately affect the cash available for

distribution to Investors. In addition, due to the lasting impacts of COVID-19, demand for space in the future could be greatly reduced. In such a case it may be impossible to maintain or grow occupancy rates and returns to investors would be much lower than set forth in the Financial Forecast.

- 10) **COVID-19 Risk.** To the extent the COVID-19 pandemic persists and continues and/or another Pandemic occurs, such could adversely impact the lease up of the Property and/or the ability to retain existing tenants. This could require further increases in free rent periods, additional tenant improvements or allowances, rent reductions or deferrals, all beyond those contained in the Financial Forecast and/or could adversely affect rent collections.

It is difficult to predict the future impact of COVID-19 on the economic conditions and the operation of the Property. As a result, there can be no assurance that the Property will achieve anticipated or maintain cash flow levels. The Managers will attempt to account for the current weakness of the economy created by COVID-19 and the possibility of future pandemics, but there is no guaranty as to the success or accuracy of such investment strategy. Right now although the COVID-19 Pandemic has officially ended according to the U.S Federal Government, it is almost impossible to accurately predict the long-term economic impact that it will have on the Property.

- 11) **Difficulty Attracting New Tenants.** There can be no assurance that the Company will be able to maintain the occupancy level as projected in the Financial Forecast. 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 to the extent funded pursuant to loan for the Property) then, this could affect the distributions to be made to the Investors. In addition, due to lasting impacts of COVID-19, demand for space in the future could be greatly reduced. In such a case it may be impossible to attract new tenants and returns to investors would be much lower than set forth in the Financial Forecast.
- 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 7800 Records TIC will be competing for tenants on the basis of location, access, rental rates, size and layouts of space, improvements offered or completed by the 7800 Records TIC, amenities within leased space, the quality of the surrounding area and a variety of other factors. The success of the 7800 Records TIC will depend to a large degree upon its ability to compete with other similar industrial properties, which in turn depends upon its ability to be competitive as to the foregoing factors. The failure of the 7800 Records TIC 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, the structural and operating conditions of the Property, the physical appearance of the Property, 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) **Risk as 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. Inflationary pressures could increase operating expenses above expected levels, thereby decreasing profitability to the extent rents cannot be raised by corresponding amounts.
- 15) **Uninsured Losses.** The 7800 Records TIC 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 7800 Records TIC may lose all or part of its investment. The 7800 Records TIC 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) **Risk as to Management of the Property.** Prior to the roll up of the 7800 Records TIC, the Investors who become the sole member of a Company, shall have certain approval rights as to the management and operation of the Property as outlined in this Memorandum (for example, approval rights as the sale and/or financing for the Property, approval rights as to any Major Lease (other than a Preapproved Major Lease) and approval rights as to the replacement of the managing agent and/or asset manager for the Property). Notwithstanding the above, any Investor who becomes a member for a multi-member company, who is not purchasing their investment to implement a 1031 tax free exchange, does not have the same approval rights as a sole member of a Company, who is purchasing their investment to take advantage of tax deferral pursuant to Code Section 1031 or 1033 do not have the same approval rights as a sole member of a Co-Owner who is purchasing their investment to implement a 1031 or 1033 transaction. Such additional approval rights are granted to a 1031 or 1033 investor prior to the roll up of the 7800 Records TIC since they may be required to insure that their purchase would qualify as an interest in the real property as opposed to a purchase of a partnership or membership interest. Once the Property is rolled up into the Rolled Up Entity, the sole member of a Co-Owner will no longer have such approval rights. After the roll up of the 7800 Records TIC, the Managers

shall have board discretion over the operation and management of the Property and the Members of the Rolled Up Entity, who were previously the sole Member of a Co-Owner, will no longer be able to participate in the conduct and/or business operations of such Rolled Up Entity and/or the Property in the same manner as they did prior to the rollup.

- 17) **Risks as to Conflicts of Interest.** There are various conflicts of interest that may occur between the Managers and/or Time Equities, Inc. (“TEI”) as the asset manager for the Property and the 7800 Records TIC and their respective companies and/or Members comprising the 7800 Records TIC. These conflicts of interest include, but are not limited to, the following:

**a. Competition by the Company with the Other Entities for Management Services**

The Managers and/or TEI may encounter conflicts of interest in allocating management time, services and functions between the 7800 Records TIC and various other existing and future entities that own and operate real estate, as well as other business ventures, in which they are involved. Because of their management responsibilities for other properties, TEI, as the asset manager for the Property and the Managers, will devote only so much of its time to the Property, as in its judgment is reasonably required.

**b. No Limit on Managers’ and/or TEI’s Other Activities**

The Managers, TEI, and their respective Affiliates may engage in other business ventures, real estate or otherwise, and the 7800 Records TIC and the Members of companies comprising the 7800 Records TIC shall not be entitled, as of right, to participate in such other business ventures. The Managers and their Affiliates intend to form other real estate ventures in the future, some of which may have the same investment objectives as the 7800 Records TIC. Accordingly, there may be conflicts of interest on the part of the Managers and their Affiliates (including TEI) between the 7800 Records TIC and other entities and real estate investments or properties which they are involved.

**c. Conflict as to a Bridge Loan Lender**

If a bridge loan is needed, the likely lender for the bridge loan will be Time Equities Associates LLC, which is owned by Francis Greenburger. To the extent there is not sufficient net operating income to pay debt service, or the refinancing delays the payoff of the Bridge Loan beyond its maturity date, there could be a conflict between Francis Greenburger’s (or TEI LLC’s) position as one of the Managers and his position as a lender to the Co-Owners. Also, potential conflicts of interest could arise if Time Equities Associates LLC decides to enforce the Bridge Loan due to the default of the Co-Owners as the borrower under the loan. Such enforcement proceedings could include the foreclosure of the first mortgage as collateral for this Loan.

**d. Partnership Representative**

Pursuant to the operating agreement for each Co-Owner or the Rolled Up Entity, the Managers will be the “**partnership representative**” and as a result may make various determinations which would be binding on all of the Investors. It is possible that issues could arise on tax matters where the decision of the Managers may have a different effect or consequence on the Managers and the Investors. Because the impact of such determinations on the Managers and their Affiliates may be substantially different in circumstances from the impact on the Investors, the Managers may be subject to a conflict of interest in acting as the partnership representative.

**e. Lack of Separate Representation**

Certain attorneys involved in the acquisition and/or financing of the Property and preparation of this Supplement, are also employees of TEI. This could result in a conflict of interest if there is a dispute between the Managers and an Investor and/or if decisions as to legal matters may have different consequences or effect on the Managers and the Investors.

**f. Affiliation of the Managers and the Placement Agent**

The Placement Agent (Time Equities Securities LLC) is owned by TEI and as a result it may be expected that the Placement Agent may face conflicts of interest in undertaking due diligence that would normally be exercised by the placement agent if it were independent of the Co-Owners and the Managers.

**g. Financing and/or Sale of the Property**

A conflict of interest could occur in connection with any financing for the Property where certain Members may desire that more of the net proceeds from such financing be distributed to reduce the amount of Invested Capital and the Managers may, alternatively, desire to retain more net proceeds for reserves to cover future or anticipated leasing costs, capital improvements and/or other non-budgeted operating expenses.

After the roll up of the Property, the Managers are entitled to receive a certain portion of net proceeds from the sale of the Property as will be detailed in the operating agreement for the Rolled Up Entity. A conflict of interest could arise because it may be beneficial for the Managers to sell the Property at a time when it may be in the best interest of the Investors to hold onto the Property or alternatively, because it may be beneficial for the Managers to delay a sale of the Property, when a sale would be more advantageous to the Investors. For example, the Managers might not wish to receive taxable income in a particular year for reasons unrelated

to the Rolled Up Entity. The Managers may have an interest in retaining, instead of selling, the Property in order to continue the distributions and any other fees payable to the Managers and/or their Affiliates. Accordingly, the Managers may be subject to various conflicts of interest with respect to the potential sale of the Property that may have different consequences or effect on the Managers and the Members of the Rolled Up Entity.

A conflict of interest could arise between the Members that wish to sell the Property and the Members that do not desire to sell the Property or if the Managers have a contrary desire as to the sale of the Property from those maintained by a member. In any event, once the Property is rolled up, the decision as to whether or not to sell the Property and the terms to be accepted for any such sale of the Property shall be at the sole discretion of the Managers.

A conflict of interest also could arise if the Property is sold after the roll up of the 7800 Records TIC, where the Managers may desire to undertake a 1031 or 1033 like kind exchange and invest net sale proceeds in the acquisition of a replacement Property and certain of the Members alternatively may not want to use the net proceeds from the sale of the Property to implement a 1031 or 1033 like kind exchange or do not want to use such net sales proceeds for the replacement Property selected by the Managers.

**h. Conflicts as to Obligations under Loan Documents (including those between a Guarantor and the Members of the Co-Owners or the Rolled Up Entity)**

There may be occasions where some of the Members may wish the Managers (as a guarantor or otherwise) to take certain actions that might be in the best interests of the 7800 Records TIC but that might expose a Manager to personal liability as a result of the actions that might be taken. As an example, the Members might desire that the 7800 Records TIC violate a condition of a loan agreement that would be advantageous to the 7800 Records TIC but would result in a Manager, as guarantor under the terms of the loan documents, to be personally liable for some or all of the obligations of the 7800 Records TIC. Due to the fact that such actions, while potentially favorable to the Members or the 7800 Records TIC, might be personally detrimental to a Manager, the following provisions shall be included in the operating agreement for each company comprising the 7800 Records TIC and/or the Rolled Up Entity and pertain to any actions that might be taken in connection with the ownership and operation of the Property by the 7800 Records TIC or the Rolled Up Entity and the administration of the loans and/or other obligations of the 7800 Records TIC or the Rolled Up Entity:

- (i) The Managers and/or any guarantor of any loans shall not be obligated to take any action which would result in a Manager or guarantor becoming personally liable for any liabilities of the 7800 Records TIC or the Rolled Up Entity arising under any loan documents, notwithstanding that the failure to take any such action might result in the total or partial loss of

the 7800 Records TIC's or the Rolled Up Entity's interest in some or all of its assets; or

- (ii) The Managers and/or any guarantor of any such loans may take any action which would result in any such guarantor avoiding becoming personally liable for any liabilities of the 7800 Records TIC's or the Rolled Up Entity arising under any such loan documents, notwithstanding that the taking of any such action might result in the total or partial loss of the 7800 Records TIC's or Rolled Up Entity's interest in some or all of its assets. Such actions may include transferring the Property to a lender in lieu of foreclosure.

**i. Resolutions of Conflicts of Interest**

The Managers have not developed, and do not expect to develop, any formal process for resolving conflicts of interest. However, the Managers are required to exercise good faith and integrity in handling the affairs of the 7800 Records TIC's and the Rolled Up Entity, which duty will govern their actions in all such matters. While the foregoing conflicts of interest could materially and adversely affect the 7800 Records TIC's or the Rolled Up Entity, except as otherwise provided in this special risk as to conflicts of interest, the Managers in their sole judgment and discretion, will attempt to mitigate such potential adversity by the exercise of its business judgment in an attempt to fulfill their fiduciary obligations. There can be no assurance that any such attempt will prevent the adverse consequences that may result from the numerous conflicts of interest.

- 18) **Environmental Liabilities Are Possible and Can Be Costly.** Federal 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 or knowledge of the presence or release of such substances and may be imposed jointly and severally upon all succeeding landowners from the date of the first improper disposal or release. The 7800 Records TIC and the Company cannot guaranty that hazardous substances and/or wastes will not be discovered on the Property during the 7800 Records TIC's or the Rolled Up Entity's ownership or after sale to a third party. If such hazardous substances or wastes are discovered on the Property, the 7800 Records TIC may be required to remove those hazardous substances and clean up the Property, and the 7800 Records TIC, may incur full recourse liability for the entire cost of any such removal and cleanup. The 7800 Records TIC cannot guaranty that the cost of any such removal and cleanup would not exceed the value of the Property or that the 7800 Records TIC could recoup any such costs from a third party. The 7800 Records TIC may 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 any such Property prior to the completion of such clean-up or remediation may be more difficult or costly. Without undertaking any further due diligence and except as otherwise disclosed in this Memorandum and/or environmental reports, 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 Forecasts for the Property does not contain any expenses for any such environmental cleanup of hazardous substances and wastes. To the extent this would be required, such additional costs could affect or reduce distributions to Investors.

- 19) **Toxic Mold.** Litigation and concern about indoor exposure to certain types of toxic molds has been increasing as the public becomes aware that exposure to mold can cause a variety of health effects and symptoms, including allergic reactions. Toxic molds can be found almost anywhere; they can grow on virtually any organic substance, as long as moisture and oxygen are present. There are molds that can grow on wood, paper, carpet, foods, and insulation. When excessive moisture accumulates in buildings or on building materials, mold growth will often occur, particularly if the moisture problem remains undiscovered or unaddressed. It is impossible to eliminate all mold and mold spores in the indoor environment. The difficulty in discovering indoor toxic-mold growth could lead to an increased risk of lawsuits by affected persons, and the risk that the cost to remediate toxic mold will exceed the value of the property. Because of attempts to exclude damage caused by toxic mold growth from certain liability provisions in insurance policies, there is no guarantee that insurance coverage for toxic mold will be available now or in the future.
  
- 20) **Compliance with the Americans with Disabilities Act.** Under the Americans with Disabilities Act of 1990 (the “ADA”), public accommodations must meet certain federal requirements related to access and use by disabled persons. Facilities initially occupied after January 26, 1992, must comply with the ADA. When a building is being renovated, the area renovated and the path of travel accessing the renovated area, must comply with the ADA. Further, owners of buildings occupied prior to January 26, 1992 must expend *reasonable* sums, and must make *reasonable efforts*, to make practicable or readily achievable modifications to remove barriers, unless the modification would create an undue burden. This means that so long as owners are financially able, they have an ongoing duty to make their property accessible. The definitions of “**reasonable**”, “**reasonable efforts**”, “**practicable**” or “**readily achievable**” are site-dependent and vary based on the owner’s financial status. The ADA requirements could require removal of access barriers at significant cost, and could result in the imposition of fines by the federal government or an award of damages to private litigants. Attorneys’ fees may be awarded to a plaintiff claiming ADA violations. State and federal laws in this area are constantly evolving, and could evolve to place a greater cost or burden on the 7800 Records TIC. While the Managers will attempt to obtain information with respect to compliance with the ADA, there can be no assurance that ADA violations do not or will not exist at the Property. If other violations do exist, there can be no assurance that there will be funds to pay for any necessary repairs.
  
- 21) **No Market for Membership Interests.** It is not anticipated that any public market will exist for the Membership Interests, and the operating agreement will impose certain restrictions on the transfer of Membership Interests (other than to an immediate family member, an entity controlled by a Member, or the beneficiary of the estate of Member, upon the death of a Member) which may have the effect of ensuring that a market will not

develop. Therefore, holders of the Membership Interests may not be able to sell their Membership Interests should a need for personal funds arise, and the price received in any sale of Membership Interests may be less than the value of the Membership Interests sold. In addition to the above risks, an Investor must bear the economic risk of their investment for an unspecified period of time.

- 22) **Limited Assignability.** Each subscriber will be required to represent that the purchase of their Membership Interests in a Co-Owner will be for investment purposes only and not with a view towards the resale or distribution thereof. Membership Interests may not be assigned without the consent of the Managers, and without compliance with the right of first refusal to be contained in the operating agreement for the Co-Owners and the Rolled Up Entity. Furthermore, an Investor may not pledge, or grant a security interest in their Membership Interests. Under the Operating Agreement, an assignment of Membership Interests shall not be permitted if that assignment (i) would cause a Co-Owner or the Rolled Up Entity to terminate for Federal income tax purposes; (ii) would violate certain restrictions on assignment now or hereafter imposed under the Operating Agreement to preserve the status the Co-Owners or the Rolled Up Entity as a partnership for Federal income tax purposes, or (iii) would violate Federal or state securities laws. No assignee may be admitted as a substituted Member without the consent of the Managers. In addition, a Member shall have no right to withdraw any part of their capital contributions to the Co-Owners or the Rolled Up Entity. There are likely to be substantial adverse Federal income tax consequences in connection with the assignment of Membership Interests, and holders of the Membership Interests are advised to consult with their tax advisors prior to any such assignment. Also, in certain states, assignees of Membership Interests may be required to meet certain suitability requirements.
- 23) **Liability of Members/Risk as to Return of Distributions.** In general, Members of the Co-Owners or the Rolled Up Entity may be liable for the return of a distribution to the extent that the Member knew at the time of the distribution that after such distribution, the remaining assets of the Co-Owners or the Rolled Up Entity would be insufficient to pay their outstanding liabilities of the Co-Owners (exclusive of liabilities to Members on account of their limited liability company interests and liabilities for which the recourse of creditors is limited to specified property of a limited liability company). Otherwise, Members are generally not liable for the debts and obligations of the Co-Owners or the Rolled Up Entity beyond the amount of the capital contributions they have made or are required to make under the operating agreement.
- 24) **Limitation of Liability/Indemnification of the Managers.** The Managers and its attorneys, agents and employees may not be liable to the Co-Owners, the Rolled Up Entity or their Members for errors of judgment or other acts or omissions not constituting fraud, gross negligence, or willful misconduct as a result of certain indemnification provisions in the operating agreement. A successful claim for such indemnification would deplete the 7800 Records TIC's and/or the Rolled Up Entity's assets by the amount paid.
- 25) **Offering Not Registered with the US Securities and Exchange Commission ("SEC") or State Securities Authorities.** This offering will not be registered with the SEC under the Securities Act of 1933 as amended (the "Securities Act") or the securities agency of

any state, and is being offered in reliance upon an exemption from the registration provisions of the Securities Act and state securities laws applicable only to offers and sales to investors meeting the suitability requirements set forth herein.

- 26) **Private Offering – Lack of Agency Review.** Because this offering is a nonpublic offering and, as such, is not registered under federal or state securities laws, Investors will not have the benefit of a review of the offering or this Memorandum by the SEC or any state securities commission. The terms and conditions of the offering may not comply with the guidelines and regulations established for real estate programs that are required to be registered and qualified with the SEC or any state securities commission.
- 27) **Private Offering Exemption – Compliance with Requirements.** The Membership Interests are being offered to, and will be sold to, Investors in reliance upon a private offering exemption from registration provided in the Securities Act. If the Co-Owners should fail to comply with the requirements of such exemption, the Members would have the right to rescind their purchase of their Membership Interests if they so desired. It is possible that one or more Members seeking rescission would succeed. This might also occur under applicable state securities or “blue sky” laws and regulations in states where the Membership Interests will be offered without registration or qualification pursuant to a private offering or other exemption. If a number of Members were successful in seeking rescission, the Co-Owners and the Managers would face severe financial demands that would adversely affect the Co-Owners as a whole and, thus, the investment in the Membership Interests by the remaining Members.
- 28) **Private Offering Exemption – Limited Information.** Because the offering of the Membership Interests is a nonpublic offering, certain information that would be required if the Offering were not so limited has not been included in this Private Investment Memorandum, including, but not limited to, financial statements and prior performance tables. Thus, Investors will not have this information available to review when deciding whether to invest in Membership Interests.
- 29) **General Tax Risks.** There are substantial risks associated with the federal income tax aspects of an investment in the 7800 Records TIC. In addition to continuing IRS reexamination of the tax treatment of partnerships, the income tax consequences of an investment in the 7800 Records TIC are complex, and recent tax legislation has made substantial revisions to the Code. Many of these changes, including changes in the taxation of limited liability companies and their members, affect the tax benefits generally associated with an investment in a limited liability 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 aspect and his or her individual situation. **No representation or warranty of any kind is made with respect to the IRS’s acceptance of the treatment of any item by the Company or by an Investor.**
- 30) **Changes in Tax Laws.** The discussions of the federal income tax aspects of this offering are based on current law, including the Internal Revenue Code of 1986, as amended, the

regulations issued thereunder, certain administrative interpretations thereof and court decisions. Consequently, future events (including those arising from expiration of current tax laws, legislative and administrative proposals that could occur and/or are or in the future may be under consideration) that modify or otherwise affect those provisions may result in treatment for federal income tax purposes of the Co-Owners and the Members that are materially and adversely different from that described in this Memorandum, both for taxable years arising before and after such events. Neither the Co-Owners nor the Managers can guaranty that future legislation and administrative interpretations will not be retroactive in effect.

- 31) **Risks regarding the Distribution of the IRS Schedule K-1 Tax Form.** Although the Managers will make every effort to complete and distribute to Investors their individual K-1 tax forms in a timely manner, there is no guarantee that in each tax year these forms can or will be completed in time for the investors to file their taxes on or prior to the general April 15 tax deadline. In the event that such K-1s are not completed in a timely manner prior to the April 15<sup>th</sup> tax deadline, it is possible that investors may have to file an extension to complete their tax returns.

**THE ABOVE POTENTIAL RISKS ARE NOT INTENDED TO BE AN EXHAUSTIVE LIST OF POTENTIAL AREAS OF RISK AND INVESTORS ARE URGED TO CONSIDER SUCH RISKS BEFORE MAKING A DECISION TO INVEST IN THE PROPERTY.**

**GENERAL METHODOLOGY USED FOR FINANCIAL FORECAST  
OF OPERATION OF 7800 RECORDS STREET**

**FOR THE PERIOD FROM  
JANUARY 1, 2026, THROUGH DECEMBER 31, 2035**

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 Periods:** Operations are projected for a ten (10) year period, commencing on January 1, 2026. The annual periods in the forecasts are from January through December.

**Acquisition:** The Property was purchased for a total first year project cost of \$7,236,250. The Purchase Price is \$6,900,000. The closing date was December 17, 2025.

**Invested Capital:** The total Invested Capital is \$4,865,148 and was funded at closing.

**Year 1 Financing:** The Financial Forecast anticipates obtaining permanent financing during the first year of operation and is estimated to be \$3,800,000. The interest rate for this loan is projected to be 6.186% per annum. The loan-to-value is projected to be 55.00%, based on the Purchase Price. Proceeds from the permanent financing are projected to pay off the Acquisition Bridge Loan of \$2,371,101.86, fund a \$125,000 capital reserve holdback, pay the closing for the Loan of \$73,750, and reduce invested capital by \$1,230,148.

**Income:** The Property is currently 100% occupied to 2 tenants. The rent from the tenants are projected in the first year of operation to generate a net operating income, before reserves, of approximately \$2,487,391 in the first year of operation.

**Real Estate Taxes:** The Property is currently assessed at \$1,532,000 resulting in an annual real estate tax bill of approximately \$41,643. The Property was purchased for \$6,900,000 which is substantially more than the assessed value. Ryan LLC, a property tax consultant, was retained to provide a Property Tax Due Diligence Acquisition Report. In such report, Ryan LLC projects a best case, most probable case, and worst-case scenario for future real estate taxes. The Financial Forecast utilizes the most probable case produced by Ryan LLC. The most probable case results in 2024 real estate taxes for the Property will be reassessed at \$2,218,100 with an annual real estate

tax bill estimated to be \$60,985. The actual amount of taxes could be higher than Ryan LLC projects in its “Most Likely” case scenario.

**Occupancy:**

The going-in physical occupancy rate after closing is 100%.

**Management and  
Asset Management  
Fees:**

It is projected that a local real estate brokerage and management company, Colliers International will be chosen as the property manager and will be paid a property management fee equal to the greater of 3.00% or \$2,000 a month of the total revenue for such management services. Time Equities, Inc. will be paid a 1.5% asset management fee to serve as the asset manager. As of the date hereof, the property manager for the Property has not been finalized or selected.

**Market Leasing  
Assumptions:**

New leases are projected to be signed at a rent of \$6.50 per square foot today trended at 3.00% annual increases. Tenants are projected to pay as additional rent; their pro rata share of common area maintenance and operating expenses

**EXHIBIT 1**  
**FINANCIAL FORECAST**

Property Description	
Property Name	7800 Records Road
Address	7800 Records Road
Location	Indianapolis, IN
Asset Type	Industrial
Square Footage	115,077
Year Built	1998
Current Occupancy	100.00%

Acquisition Metrics		
Metric	Purchase Price	TPC
<b>\$/SF</b>	<b>\$59.96</b>	<b>\$62.88</b>

Sources & Uses	
Uses	Value
Purchase Price	\$6,900,000
Closing Costs	\$336,250
CapEx Budget	\$0
TILC Budget - Capital Call	\$0
<b>Total Unlevered Uses</b>	<b>\$7,236,250</b>

Closing Costs		
Legal Fees		\$35,000
DD Costs		\$46,250
Acquisition Fee	2.00%	\$138,000
Working Capital		\$100,000
Title Fees		\$17,000
Broker Dealer fees	0.00%	\$0
Transfer Tax	0.00%	\$0
<b>Total Closing Costs</b>		<b>\$336,250</b>

Financing Costs	\$0
<b>Total Levered Uses</b>	<b>\$7,236,250</b>

Sources	Value
Debt (32.8%)	\$2,371,102
Equity (67.2%)	\$4,865,148
<b>Total Sources</b>	<b>\$7,236,250</b>

Return Metrics		
Metric	Year 1	10-Yr Avg
<b>Cap Rate</b>	<b>7.31%</b>	<b>10.08%</b>
<b>ROE: Unl</b>	<b>6.11%</b>	<b>8.52%</b>
<b>ROE: Lev</b>	<b>6.14%</b>	<b>10.55%</b>

Refinance Loan		
Refinance?		yes
Timing		Year 2
Value Cap	-	
Est. Value		
LTV		55.0%
Loan Amount		\$3,800,000
I.O. Term		120 Month(s)
Amortization		30 Year(s)
Interest Rate		6.15%
Mortgage Fee	0.625%	\$23,750
Lender Legal & Misc.		\$50,000
Capital Holdback		\$125,000
<b>Total Refinancing Costs</b>		<b>\$198,750</b>

Acquisition Loan		
LTV		0.0%
Loan Amount		\$2,371,102
I.O. Term		120 Month(s)
Amortization		0 Year(s)
Interest Rate		6.00%
Mortgage Fee	0.000%	\$0
Lender Legal		
<b>Total Financing Costs</b>		<b>\$0</b>

<b>Net Refi Loan Proceeds</b>	<b>\$1,230,148</b>
<b>Equity After Refi</b>	<b>\$3,635,000</b>
<b>Proceeds After Equity Pay-down</b>	<b>\$0</b>

		1/1/ - 12/31									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	\$/SF	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Occupancy		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
		100.00%	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%
Operating Income	Yr-1	\$4.51	\$4.59	\$5.14	\$5.30	\$5.45	\$7.97	\$8.38	\$8.63	\$8.89	\$9.00
Scheduled Base Rent	\$4.51	\$519,228	\$574,427	\$591,660	\$609,410	\$627,692	\$646,523	\$637,103	\$964,239	\$993,166	\$1,022,961
Total Expense Recoveries	\$2.12	\$243,759	\$269,636	\$277,725	\$286,057	\$294,639	\$303,272	\$317,631	\$330,267	\$340,175	\$350,380
<b>Total Operating Income</b>	\$6.63	<b>\$762,986</b>	<b>\$844,063</b>	<b>\$869,385</b>	<b>\$895,467</b>	<b>\$922,331</b>	<b>\$949,794</b>	<b>\$1,154,794</b>	<b>\$1,294,506</b>	<b>\$1,333,341</b>	<b>\$1,373,342</b>
General Vacancy Reduction Yr 1	0.0%										
General Vacancy Reduction Yr 3 -10	3.5%		(\$20,105)	(\$20,708)	(\$21,329)	(\$21,969)	(\$29,299)	(\$29,299)	(\$33,748)	(\$34,761)	(\$35,804)
<b>Effective Gross Income</b>	\$6.63	<b>\$762,986</b>	<b>\$823,958</b>	<b>\$848,677</b>	<b>\$874,137</b>	<b>\$900,362</b>	<b>\$920,496</b>	<b>\$1,125,496</b>	<b>\$1,260,758</b>	<b>\$1,298,581</b>	<b>\$1,337,538</b>
Operating Expenses											
Com	\$1.25	\$143,846	\$148,162	\$152,606	\$157,185	\$161,900	\$166,757	\$171,760	\$176,913	\$182,220	\$187,687
Insurance	\$0.30	\$34,523	\$35,559	\$36,626	\$37,724	\$38,856	\$40,022	\$41,222	\$42,459	\$43,733	\$45,045
Real Estate Taxes	\$0.37	\$42,500	\$61,197	\$63,033	\$64,924	\$66,872	\$68,878	\$70,944	\$73,072	\$75,265	\$77,523
Man Fee	\$0.20	\$22,830	\$24,719	\$25,460	\$26,224	\$27,011	\$27,815	\$33,765	\$37,823	\$38,957	\$40,126
<b>Total Operating Expenses</b>	\$2.12	<b>\$243,759</b>	<b>\$269,636</b>	<b>\$277,725</b>	<b>\$286,057</b>	<b>\$294,639</b>	<b>\$303,272</b>	<b>\$317,631</b>	<b>\$330,267</b>	<b>\$340,175</b>	<b>\$350,380</b>
Non Reimbursable Expenses											
TEI Asset Mgt Fee (1.50%)	\$0.10	\$11,445	\$12,359	\$12,730	\$13,112	\$13,505	\$13,907	\$16,882	\$18,911	\$19,479	\$20,063
TEI Travel/Misc	\$0.01	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
TEI Partnership Fee	\$0.02	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Total Non Reimbursable Expenses	\$0.11	\$14,945	\$15,859	\$16,230	\$16,612	\$17,005	\$17,307	\$20,382	\$22,411	\$22,979	\$23,563
<b>Total Operating Expenses</b>	\$2.25	<b>\$258,704</b>	<b>\$285,496</b>	<b>\$293,955</b>	<b>\$302,669</b>	<b>\$311,644</b>	<b>\$320,579</b>	<b>\$338,014</b>	<b>\$352,678</b>	<b>\$363,154</b>	<b>\$373,943</b>
<b>Net Operating Income</b>	\$4.38	<b>\$504,283</b>	<b>\$538,463</b>	<b>\$554,722</b>	<b>\$571,468</b>	<b>\$588,717</b>	<b>\$599,917</b>	<b>\$787,422</b>	<b>\$908,079</b>	<b>\$935,427</b>	<b>\$963,595</b>
Broker Cap Rate		7.53%	8.03%	8.27%	8.52%	8.78%	8.95%	11.71%	13.43%	13.83%	14.31%
Cap Rate on Purchase Price		7.31%	7.80%	8.04%	8.28%	8.53%	8.63%	11.41%	13.16%	13.56%	13.97%
Cap Rate on TPC		6.37%	7.44%	7.67%	7.90%	8.14%	8.29%	10.88%	12.55%	12.93%	13.32%
Leasing & Capital Costs	10-Yr Avg										
Tenant Improvements (Total SF)	\$0.10	\$11,508	\$11,105	\$11,105	\$11,105	\$11,105	\$11,105	\$11,105	\$11,105	\$11,105	\$11,105
Leasing Commissions (Total SF)	2.00%	\$10,385	\$11,489	\$11,833	\$12,188	\$12,554	\$16,742	\$16,742	\$19,863	\$20,459	\$20,459
Capital Reserves (Total SF)	\$0.35	\$40,277	\$40,277	\$40,277	\$40,277	\$40,277	\$40,277	\$70,277	\$70,277	\$70,277	\$70,277
Total Leasing & Capital Costs	\$0.54	\$62,169	\$62,870	\$63,215	\$63,570	\$63,936	\$68,124	\$88,124	\$101,245	\$101,841	\$101,841
<b>Net Cash Flow</b>		<b>\$442,114</b>	<b>\$475,592</b>	<b>\$491,507</b>	<b>\$507,898</b>	<b>\$524,782</b>	<b>\$531,793</b>	<b>\$689,298</b>	<b>\$806,834</b>	<b>\$833,586</b>	<b>\$861,754</b>
Unlevered Equity		\$7,236,250	\$7,236,250	\$7,236,250	\$7,236,250	\$7,236,250	\$7,236,250	\$7,236,250	\$7,236,250	\$7,236,250	\$7,236,250
<b>Cash Flow After Debt Service</b>		<b>\$299,847</b>	<b>\$242,652</b>	<b>\$258,567</b>	<b>\$274,958</b>	<b>\$291,842</b>	<b>\$298,853</b>	<b>\$456,358</b>	<b>\$573,894</b>	<b>\$600,646</b>	<b>\$628,814</b>
Levered Equity		\$4,865,148	\$3,635,000	\$3,635,000	\$3,635,000.00	\$3,635,000	\$3,635,000	\$3,635,000	\$3,635,000	\$3,635,000	\$3,635,000
<b>ROE: Levered</b>		<b>6.16%</b>	<b>6.68%</b>	<b>7.11%</b>	<b>7.56%</b>	<b>8.03%</b>	<b>8.22%</b>	<b>12.55%</b>	<b>15.79%</b>	<b>16.52%</b>	<b>17.30%</b>
<b>ROE: Unlevered</b>		<b>6.11%</b>	<b>6.57%</b>	<b>6.79%</b>	<b>7.02%</b>	<b>7.25%</b>	<b>7.35%</b>	<b>9.53%</b>	<b>11.15%</b>	<b>11.52%</b>	<b>11.91%</b>