

**Project Supplement No. 4**  
**(Dated December 21, 2022)**  
**to the Supplement**  
**of TEI Diversified Income & Opportunity Fund VI, LLC,**  
**dated March 1, 2022**

This Project Supplement No. 4 modifies and supplements the Supplement of TEI Diversified Income & Opportunity Fund VI, LLC, dated March 1, 2022 (the “**Memorandum**”), as previously amended by Supplements No. 1-3, 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. 4, have the meanings set forth in the Memorandum.



## Supplement

This Project Supplement pertains to the acquisition of the two-property portfolio consisting of Landmark Center Shopping Center located at 1302 Bridford Parkway, Greensboro, NC (the “**Landmark Center Property**”) and Boulevard Market Fair Shopping Center located at 3801 Clemson Boulevard, Anderson, SC (the “**Boulevard Market Fair Property**”). The Landmark Center Property and the Boulevard Market Fair Property are sometimes hereinafter collectively referred to as the “**Property**” or “**Portfolio**”.

## Acquisition and Business Plan

Landmark Center is a 178,483 S.F., Class A, power-center located in Greensboro, North Carolina. The shopping center is 94.3% occupied by four national tenants; Floor & Décor (73,150 S.F.), Gabe’s (60,000 S.F.), Advance Auto (28,221 S.F.) and Mavis (6,850 S.F. outparcel). The property benefits from its strong location at the intersection of Bridford Parkway and W. Wendover Ave (36,500 VPD), the major commercial intersection supporting the growing Greensboro, North Carolina area. West Wendover Avenue is the major local throughfare running from downtown Greensboro to Interstate 40/US Hwy 73 Interchange and to Route 68. Major retailers located at the Bridford Parkway and W. Wendover intersection include: Walmart Super Center, Sam’s Club, Costco, Home Depot, Target, Dick’s Sporting Goods, Ross, and Sportman’s Warehouse among many others.

Boulevard Market Fair is a 117,119 S.F., Class A, Publix shadow-anchored Power Center located in Anderson, South Carolina (“Publix”). The shopping center is 100% occupied by three national tenants; Burlington Coat Factory (51,284 S.F.), Sportsman’s Warehouse (33,000 S.F.), and Gold’s Gym (32,835 S.F.). All tenants have a lease term until 2028. The property benefits from its strong location along the main commercial throughfare servicing Anderson, Clemson Boulevard (Route 76). Other major retailers located in the vicinity include Publix, Walmart, Sam’s Club, Ross, Best Buy, Target, Lowe’s, Home Depot, and TJ-Maxx among others.

The Seller of the Property is Seritage Growth Properties, a publicly traded REIT, spun off from Sears to reposition and sell the former department store’s real estate assets.

The business plan is to renew tenants at lease expiration at prevailing market rents at the time of renewal.

The purchase price for the Portfolio is \$23,500,000, which reflects a cost of \$79.50 per square foot, and a projected going-in cap rate on purchase price of approximately 8.92% after applying a 5% credit loss but before reserves. The closing date for the purchase of the Property is projected to be on or before December 16, 2022.

The Landmark Center Property will be purchased by a tenancy-in-common consisting of newly created Delaware limited liability companies qualified to do business in the State of North Carolina (such tenancy in common is referred to the “Landmark Center TIC”).

The Boulevard Market Fair Property will be purchased by a tenancy-in-common consisting of newly created Delaware limited liability companies qualified to do business in the State of South Carolina (such tenancy in common is referred to as the “Boulevard Market Fair TIC”).

The Landmark Center TIC and the Boulevard Market Fair TIC are sometimes hereinafter collectively referred to as the “Portfolio TIC”.

The total Invested Capital for this offering is \$11,052,140. The Invested Capital will be used to fund a portion of the Purchase Price along with Closing Costs, Working Capital and other transaction fees and

costs. The Fund will invest approximately \$864,354.38 in the Boulevard Market Fair TIC and \$297,969.69 in the Landmark Center TIC.

For the closing, the Portfolio TIC plans to obtain an acquisition loan for the Property in the estimated amount of \$15,000,000 from Morgan Stanley.

**Landmark Center Building Description:**

EXTERIOR:	The exterior walls are a combination of painted CMU and EIFS.
SUPERSTRUCTURE:	The main building was built in 1994 with the outparcel constructed in 2021. The property consists of steel frame construction with concrete masonry unit exterior walls. The buildings are constructed on a reinforced concrete slab-on-grade foundation system.
ROOFING SYSTEM:	Open-web steel joists and steel I-beams support metal-pan decking. The main building has a low-slope ethylene propylene diene monomer (EPDM) with gravel ballast roof. The outparcel has a Duro-Last polyvinyl chloride blend membrane roof. Gutters are located along the west perimeter which lead to downspouts that discharge onto paved areas near the building. The Mavis Tire roof is sloped to direct water to internal drains which discharge directly to the municipal storm sewer system.
HVAC:	Heating and cooling is provided by thirty-two roof mounted, gas-fired package units. Units vary in age, size and brand (Carrier, Lennox, and Trane). One rooftop mounted Resnor air handler services the building as well.
SECURITY FIRE & SAFETY:	<p>The building is fully sprinklered with a wet-type system with one sprinkler riser room. Smoke and heat detectors are present in each tenant unit. The detectors are tied into the buildings central fire alarm system.</p> <p>Emergency strobe lights, and audible alarms are present throughout the building. Security cameras are located along the building exterior and are monitored by the tenants.</p>
ELECTRICAL:	The building is served by 480-volt, 3-phase, 4-wire service. One 800 ampere panel, and three 600 ampere disconnect switches were note in each tenant electrical room.
PARKING:	628 spaces including 28 parking spaces which are designated as ADA accessible.
UTILITIES:	<p>Electric: Duke Energy</p> <p>Water: City of Greensboro</p> <p>Gas: Piedmont Natural Gas</p>

Sewer: City of Greensboro

**Boulevard Market Fair Building Description:**

EXTERIOR:	The exterior walls are a combination of painted CMU and EIFS.
SUPERSTRUCTURE:	The Property is built in 1994, is steel frame construction with concrete masonry unit exterior walls and a thermoplastic polyolefin membrane roof. The building is constructed on a reinforced concrete slab-on-grade foundation system.
ROOFING SYSTEM:	Open-web steel joists and steel I-beams support metal-pan decking. Roof is covered by a TPO membrane. Gutters are located along the west perimeter which lead to downspouts that discharge onto paved areas near the building.
HVAC:	Heating and cooling is provided by rooftop-mounted, gas-fired package units. Seventeen Trane and York units support the building. Additional heating and cooling for offices is provided by electric mini-split systems manufactured by Carrier.
SECURITY FIRE & SAFETY:	<p>The building is fully sprinklered with a wet-type system with one sprinkler riser room. Smoke and heat detectors are present in each tenant unit. The detectors are tied into the buildings central fire alarm system.</p> <p>Emergency strobe lights, and audible alarms are present throughout the building. Security cameras are located along the building exterior and are monitored by the tenants.</p>
ELECTRICAL:	The building is served by 480-volt, 3-phase, 4-wire service. One 225 ampere panel, and one 175 ampere disconnect switches were note in each tenant electrical room.
PARKING:	446 spaces including 12 parking spaces which are designated as ADA accessible.
UTILITIES:	Electric: Duke Energy Water: City of Anderson Gas: Piedmont Natural Gas Sewer: City of Anderson

## AERIAL VIEW OF PROPERTY & SITE PLANS

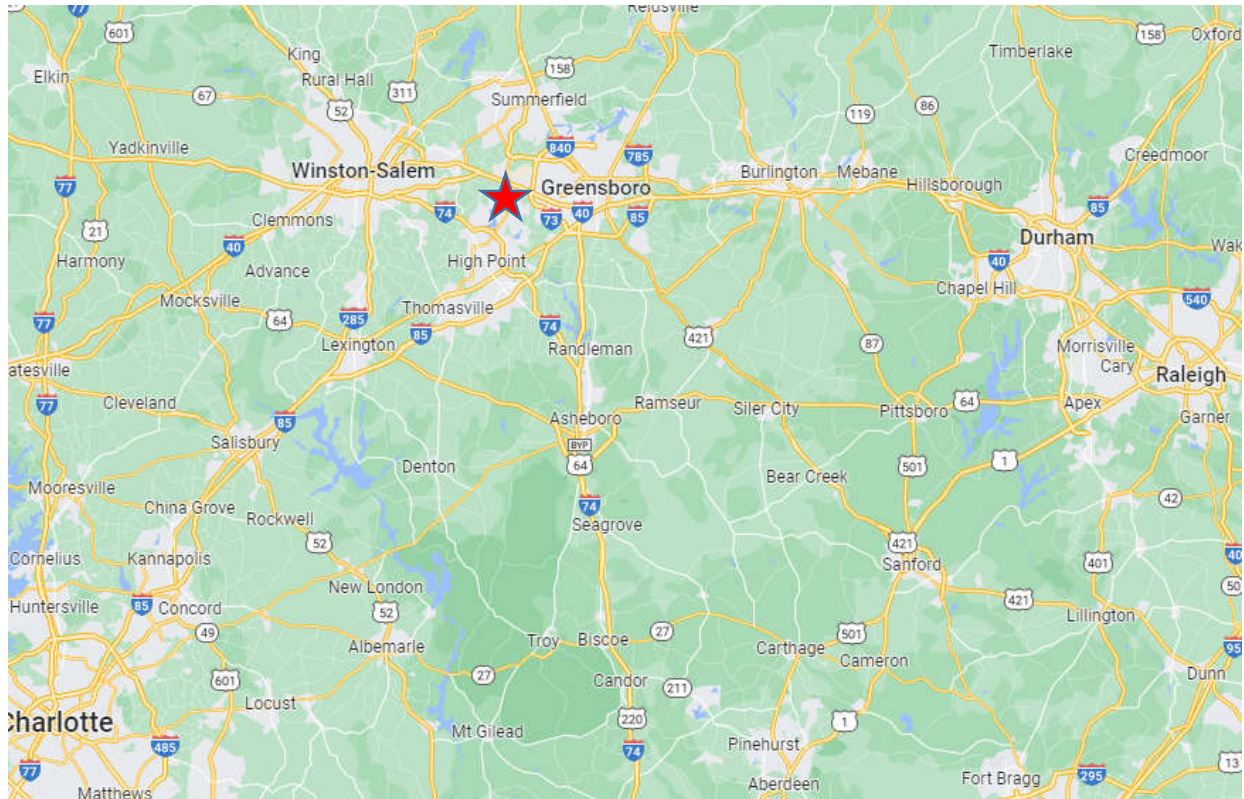
Landmark Center – Greensboro, NC

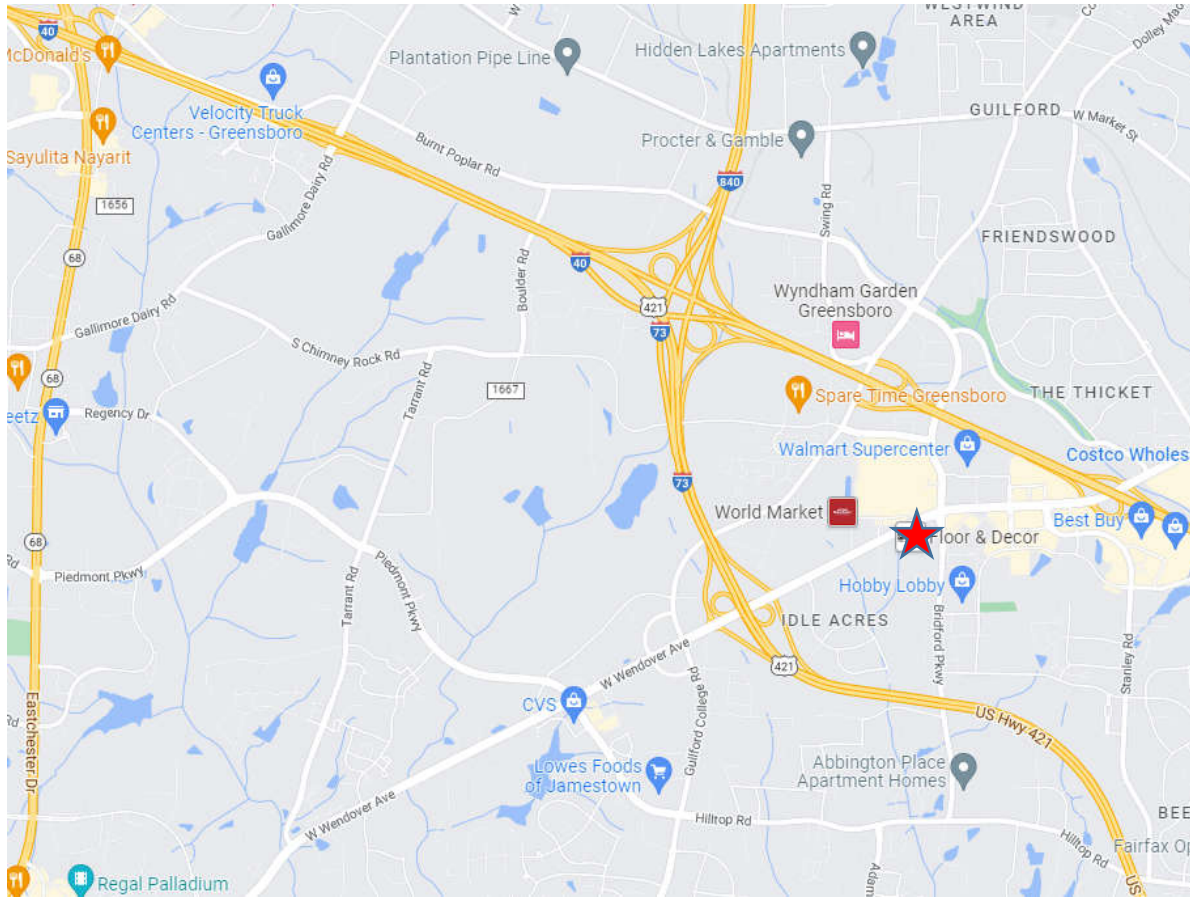


Boulevard Market Fair – Anderson, SC



## Regional Description & Property Location: Landmark Center - Greensboro, NC





The Landmark Center Property is located in Greensboro, North Carolina, within the city's main commercial district. The Landmark Center Property is well situated with full-block visibility at the signalized intersection of W. Wendover Avenue and Bridford Highway, less than a mile off the I-40/I-73 interchange. The Wendover/Bridford intersection benefits from over 36,500 vehicles per day and the highway interchange experiences 119,000 vehicles per day. Interstate 40 runs East/Southeast through Durham, Raleigh and down to the coast at Wilmington. Interstate 73 runs mainly North/South.

Greensboro is a city in and the county seat of Guildford County, North Carolina. It is the third-most populous city in North Carolina (69<sup>th</sup> most populous in the U.S.) with a population of 299,035. Three major highways (I-40, I-85, and I-73) intersect in the city. The city also benefits from air travel access via Piedmont Triad International Airport located within the city limits. The Piedmont Triad geographical region consist of Greensboro, Winston Salem, and High Point and the surrounding communities. The Piedmont Triad region, formidable in its own right, also benefits from being located between Charlotte and the Raleigh-Durham area.

Demographically the city has consistently grown over the past 20 years with a population of 223,891 in 2000, 269,666 in 2010 and a 2020 Census population of 299,035. There is no guaranty that the population will continue to grow at the same rate. The city continues to attract businesses and has an estimated Gross Metropolitan Product of \$43 billion. North Carolina has been ranked as the #1 State for economic development projects, and Greensboro is ranked #7 City for Cost of Doing Business by Forbes. 4 of the top 60 Fortune 500 companies have operations in Greensboro. Notable companies include Toyota, Honda, ITG

Brands, VF, Mack Trucks, Volvo, Wrangler, Kontoor Brands, Lincoln Financial and Kayser-Roth among others.

Top 10 Employers in Greensboro are as follows:

#	Employer	Employees
1	Guilford County Schools	10,394
2	Cone Health	7,218
3	City of Greensboro	3,108
4	United Postal Service	2,800
5	Guilford County	2,700
6	University of North Carolina at Greensboro	2,499
7	High Point Regional Health System	2,320
8	Bank of America	2,000
9	American Express	2,000
10	TE Connectivity	2,000

### Market and Submarket

The Property is part of the Greensboro retail market and is located within the W Wendover Ave/Bridford Parkway submarket. There is zero competitive big box vacancy in either the Greensboro retail market or in the submarket pursuant to a CoStar search and driving the market completed in September 2022. Market rents for competitive big box spaces range from \$6 - \$12 NNN vs. \$6.11 in place at the property.

### Tenants

Below is a list of all the existing tenants, including the square footage, lease expiration dates and rents for each such tenant:

Tenant	Sq. Ft.	LXD	Base Rent	Gross Rent	% Contribution
Advance Stores Co.	28,221	9/30/2025	\$150,136	\$214,166	16.12%
Gabriel Brothers	60,000	2/28/2029	\$299,600	\$402,870	30.33%
Floor & Decor	73,150	8/31/2029	\$512,050	\$638,139	48.04%
Mavis Southeast	6,850	10/31/2024	\$66,000	\$73,254	5.51%
VACANT	10,262				
<b>Total</b>	<b>178,483</b>		<b>\$1,027,786</b>	<b>\$1,328,429</b>	<b>100.00%</b>

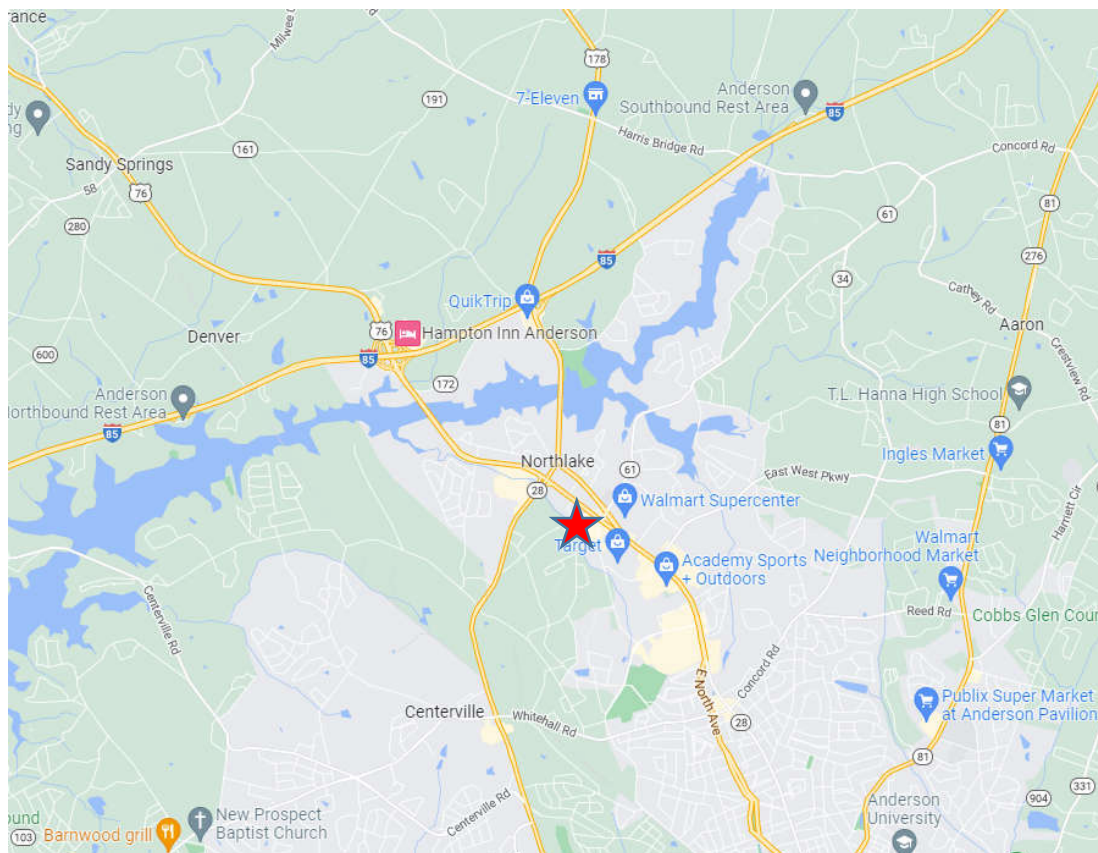
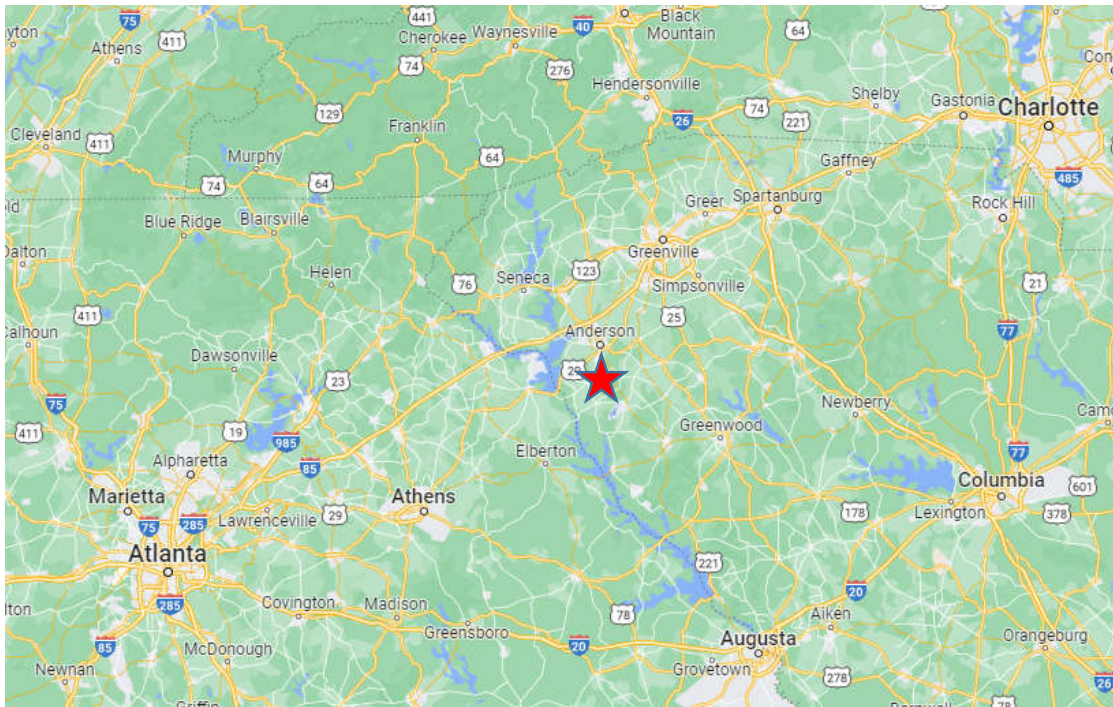
### Lease Rollovers

The following is a listing of the square footage of leased space that expires during calendar years 2023-2027:

<b><u>Calendar Year</u></b>	<b><u>Square Footage that Expires During the Calendar Year</u></b>	<b><u>% of Total Rentable SF</u></b>
2023	0	0.00%
2024	0	0.00%
2025	133,150	74.60%
2026	0	0.00%
2027	0	0.00%

The initial term of the Floor and Décor and Gabriel Brothers leases both expire in 2025. However, given the lack of available space in the market, and the strong store performance for each tenant, Sponsor is projecting that both tenants will renew their leases at lease expiration, however there is no guaranty that either lease will be renewed or otherwise extended beyond their existing expiration date in 2025. Gabe's is the #1 out of 7 stores in North Carolina and operates at a very strong 4.54% health ratio. Floor & Décor is #1 of 3 stores in North Carolina and based on Sponsor's discussions with the tenant, is pleased with the store's current performance.

## Regional Description and Property Location – Boulevard Market Fair - Anderson, SC



Boulevard Market Fair is located in Anderson, South Carolina, and is part of the Greenville-Anderson MSA which encompasses four counties including Anderson, Greenville, Laurens and Pickens. The MSA is home to 936,356 residents making it the largest MSA area in South Carolina. Regionally, the Greenville-Anderson MSA benefits from its location along major throughfares between Atlanta and Charlotte. The city of Anderson itself contains a metro area of 187,000 people.

The Boulevard Market Fair Property is well situated with full-block visibility at a signalized intersection off Clemson Boulevard (U.S. 178). Anderson's main commercial district is situated on Clemson Boulevard (25,700 VPD), starting at the subject property (2 miles south of the I-84/U.S.178 interchange) and running south 4 miles to downtown Anderson, with the heaviest retail concentration centered within the one-mile surrounding the property. Area retailers include, Target, Walmart, The Home Depot, Lowes, Sam's Club, Best Buy, Kohl's, Ross, Dick's, Old Navy, TJ Maxx among many others.

The Anderson economy benefits from its strong manufacturing base with over 200 major manufacturers, 20 international companies, and its proximity to Clemson University. Major manufacturing companies in the area include BMW, Techtronic Industries, McLaughlin Body Company, Flexon, Glen Raven, Nutra manufacturing, Robert Bosch and Michelin Starr amount many others. The strong economic base is projected to lead to 2.2% annual population growth through 2025 and 32.6% job growth for the next ten years. The property currently benefits from a population of 65,603 in a 5-mile radius with an average household income of \$76,341.

### Market and Submarket

The Boulevard Market Fair Property is part of the Anderson retail market which has an overall occupancy rate of 97.2%. There is only one competitive big box vacancy in the Anderson retail market. Market rents range from \$10-\$16 NNN.

### Tenants

Below is a list of all the existing tenants, including the square footage, lease expiration dates and rents for each such tenant:

Tenant	Sq. Ft.	LXD	Base Rent	Gross Rent	% Contribution
1. Burlington Coat Factory	51,284	2/29/2028	520,533	734,230	41.80%
3. Sportsman's Warehouse	33,000	6/30/2028	459,195	596,290	33.94%
5. Gold's Gym	32,835	11/30/2028	421,383	426,123	24.26%
<b>Total</b>	<b>117,119</b>		<b>1,401,111</b>	<b>1,756,643</b>	<b>100.00%</b>

### Lease Rollovers

All three tenants have lease terms that expire in 2028 as more specifically set forth above.

### Estimated Sources and Uses for the Invested Capital

The following is the projected sources and uses for the capitalization of the acquisition of the Property.

<b>SOURCES</b>	
Invested Capital	\$ 11,052,140
Acquisition Loan	\$ 15,000,000
<b>Total</b>	<b>\$ 26,052,140</b>

<b>USES</b>	
Aggregate Purchase Price	\$ 23,500,000
Acquisition Fee	\$ 470,000
Mortgage Costs	\$ 150,000
Miscellaneous Mortgage Costs	\$ 50,000
Title Costs	\$ 45,000
Survey Costs	\$ 12,200
Due Diligence Costs	\$ 18,780
Legal Fees	\$ 75,000
Commissions <sup>1</sup>	\$ 884,171
Working Capital & Reserves	\$ 846,989
<b>TOTAL PROJECT COSTS</b>	<b>\$ 26,052,140</b>

1. Commissions are payable to Time Equities Securities LLC (this includes any commissions for other selling Group Members.

The uses for Invested Capital consist of the following ineligible uses for exchange proceeds.

• Mortgage Costs	\$ 200,000
• Working Capital and Reserves	\$ 511,989
• Deferred Maintenance	\$ 335,000
<b>Total</b>	<b>\$1,046,989</b>

Each of the 1031 and/or 1033 Investors will have to separately fund their pro rata share of these costs at closing. If exchange proceeds are used to fund a 1031 or 1033 Investor's pro rata share of such ineligible costs, then such amounts funded with exchange proceeds will result in some of the invested exchange proceeds being subject to immediate taxation. Each such 1031 or 1033 Investor is urged to consult with their qualified intermediary, accountant and/or lawyer to ascertain the permissible uses for their exchange proceeds and the tax implications if they decided to use exchange proceeds for the above costs.

### Acquisition Loan

The Portfolio TIC has received a term sheet from Morgan Stanley (the "**Lender**") for an acquisition mortgage loan in the estimated amount of \$15,000,000. The terms of such acquisition loan, as reflected in such term sheet issued by the Lender, are as follows:

Loan Amount:	Up to \$15,000,000. Such loan amount shall be based on the loan to value ratio of 64%.
Loan Term:	Ten (10) Years
Interest Rate:	The interest rate shall be based on the sum of (i) 260 basis points; (ii) the 10 year SOFR rate (the "Index") (in no event will such Index be less than 3.50%). Such interest rate will be fixed for the entire term shortly before the closing. The Financial Forecast estimates such interest rate at 6.65%% per annum for the entire ten (10) year term.

Collateral:	First Mortgage Loan
Monthly Deb Service Payments: Prepayment/Defeasance:	Interest Only during the entire ten (10) year term. Defeasance shall be permitted following the earlier of (i) three and one-half (3.5) years from the first monthly payment date, or (ii) the two (2) year period after the transfer of the Loan into a securitization. The Loan is open to prepayment, without penalty, during the last three (3) months prior to the maturity date.
Escrows and Reserves:	<p><u>Real Estates Taxes and Insurance Premiums</u> Monthly and upfront deposits for real estate taxes and insurance premiums (unless an approved blanket policy is in place) shall be required.</p> <p><u>Deferred Maintenance Reserve</u> An upfront reserve shall be required for 125% of any immediate deferred maintenance or environmental remediation costs, as determined pursuant to Lender's review of the third party studies.</p> <p><u>Landlord Obligations</u> An upfront reserve shall be required for any outstanding landlord obligations at the time of closing, including free rent, gap rent, tenant improvements and leasing commissions</p> <p><u>Replacement Reserve</u> Monthly reserve deposits may be required for periodic repairs, replacements and improvements over the term of the Loan, based on Lender's review of the third party reports</p> <p><u>General Leasing Reserve</u> Borrower shall make an upfront TI/LC deposit with the lender in the amount of \$300,000.</p> <p><u>Rent Concession Reserve</u> Borrower shall deposit on the Closing Date an amount equal to any future rent concessions, as determined by Lender.</p>
Cash Management:	Borrower shall be required to establish at closing a deposit account for the benefit of Lender (in which Lender shall be granted a security interest and have " <b>control</b> " pursuant to a deposit account control agreement acceptable to Lender) into which all tenants shall be instructed to directly deposit all rents and revenues. On each business day, funds on deposit in the deposit account shall be transferred (a) other than during a Cash Sweep Period (as

defined below) and provided no default exists under the Loan, to Borrower's operating account (from which Borrower shall make debt service payments and payments of all amounts due under the loan documents), and (b) during a Cash Sweep Period, to a cash management account at a financial institution designated by Lender.

Provided no default exists under the Loan, funds on deposit in the cash management account, during a Cash Sweep Period, shall be used on each monthly payment date to fund debt service payments, escrow and reserve deposits and other payments due under the loan documents, to pay operating expenses related to the Property in accordance with an annual budget approved by Lender, and any excess funds ("**Excess Cash**") shall be held in escrow as additional collateral for the Loan until repayment of the Loan.

"**Trigger Event**" shall occur upon (a) an Event of Default, and (b) the DSCR (assuming the actual loan constant) being less than 1.70x at the end of any calendar quarter (a "DSCR Event") based upon the trailing twelve (12) months ("T-12") operating statement and current in place rent roll.

"**Trigger Period**" shall occur upon the occurrence of a Trigger Event and shall continue until such time, if any, as (a) no Event of Default exists; and (b) if the Trigger Period was triggered by a DSCR Event, the DSCR (assuming the actual loan constant) has been at least 1.70x for the immediately preceding two (2) consecutive calendar quarters.

Borrower shall also have the option to cure any Trigger Period in connection with a DSCR Event by funds or a letter of credit with Lender in such an amount that when added to the existing NOI produces an NOI of 1.70X. This differential amount shall be returned to the Borrower when the DSCR is otherwise 1.70x for two (2) consecutive calendar quarters.

## **Financial Forecast**

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

Under the Financial Forecast, the following is the estimated 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 level 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
	7.15%	7.11%	7.58%	7.91%	7.94%	8.26%	8.32%	8.64%	8.85%	8.93%

The Financial Forecast for the Property projects an average annual levered return over 10 years from net cash flow at 8.07%.

**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 upon any subsequent roll up of the Landmark Center TIC and/or the Boulevard Market Fair TIC, each 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 of 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.**

### No Guaranty as to the Mortgage Financings

There is no guaranty as to the ability of the Portfolio TIC to obtain the mortgage loan based on the terms as projected in the Financial Forecast. Any change in the loan amount, interest rates, and/or terms of such loan could have a material impact on the distributions to be made to Investors, either positively or negatively.

### Occupancy Levels

In the Financial Forecast, the average annual physical occupancy rates are projected below.

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
91.5%	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%

There is no guaranty as to the ability to maintain occupancy levels as stated above.

### Additional Reserves for Capital Improvements, Tenant Improvements and Leasing Commissions

The Financial Forecast also includes an annual capital reserve of \$118,241 (\$0.40 PSF), average annual reserves for tenant improvements of \$108,226 (\$0.40 PSF) and average annual reserves for leasing commissions of \$82,491 (\$0.31 PSF). All of such reserves are projected to be funded from the operating

income of the Property. Additionally, the Sponsor is are reserving \$335,000, funded as part of Invested Capital, of capital reserves to address deferred maintenance and Capital Expenditures.

## **Working Capital**

The Financial Forecast includes working capital reserves of \$511,989 to be funded as part of the Invested Capital. The working capital is not projected to be utilized in the Financial Forecast over the ten (10) year forecast period.

## **Management of the Property**

It is anticipated that the Property will be asset managed by Time Equities Inc at a fee equal to 1.50% of total revenue collection, and Property managed by Time Equities Inc. in cooperation with a local non-affiliated leasing and management company, Wilson Kibler, at an aggregate fee not to exceed 2.50% of total revenue collections.

## **Property Condition Report – Landmark Center – Greensboro, NC**

A Property Condition Report was prepared by CRE Environmental (“CRE”) for the Landmark Center Property in September of 2022. The purpose of the report was to understand the current condition of the Landmark Center Property and to budget required repairs and improvements that may have to be completed over the next ten (10) years. The report identified \$35,313 in immediate term roof and parking lot repairs which will be funded from Invested Capital. The budget for the Landmark Center Property is divided into the estimated costs for immediate, short term, and the remaining repairs and improvements over the ten (10) year period. The following is a chart in which CRE aggregated the estimated costs and projected time periods for completion:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Parking Lot Repair	\$0	\$0	\$0	\$0	\$37,273	\$0	\$37,273	\$0	\$37,273	\$0	\$111,819
Exterior Maintenance	\$0	\$0	\$0	\$0	\$31,357	\$0	\$0	\$31,357	\$0	\$0	\$62,714
Roof	\$0	\$0	\$94,133	\$0	\$94,133	\$0	\$94,133	\$0	\$94,133	\$0	\$376,532
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$94,133</b>	<b>\$0</b>	<b>\$162,763</b>	<b>\$0</b>	<b>\$131,406</b>	<b>\$31,357</b>	<b>\$131,406</b>	<b>\$0</b>	<b>\$551,065</b>

The total amount projected by CRE over the next ten (10) years is \$551,065 and it is expected to be funded by the projected annual capital reserves.

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 immediate or short terms, may, in fact, be required to be completed sooner than projected.

## **Property Condition Report – Boulevard Market Fair – Anderson, SC**

A Property Condition Report was prepared by CRE Environmental (“CRE”) for the Boulevard Market Fair Property in February of 2022. The purpose of the report was to understand the current condition of the Boulevard Market Fair Property and to budget required repairs and improvements that may have to be completed over the next 10 years. The report identified \$40,000 in immediate parking lot repairs required and an additional \$40,000 in short term parking lot work required which will be funded by Invested Capital. The budget for the Boulevard Market Fair Property is divided into the estimated costs for immediate, short term, and the remaining repairs and improvements over the ten (10) year period. The following is a chart in which CRE aggregated the estimated costs and projected time periods for completion:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Parking Lot Repair	\$0	\$0	\$0	\$0	\$0	\$0	\$55,000	\$0	\$0	\$0	\$55,000
Exterior Maintenance	\$87,839	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$87,839
Roof	\$0	\$11,712	\$0	\$0	\$0	\$0	\$11,712	\$0	\$0	\$0	\$23,424
<b>Total</b>	<b>\$87,839</b>	<b>\$11,712</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$66,712</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$166,263</b>

The total amount projected by CRE over the next ten (10) years is \$166,263 which will be funded by the Capital Reserves.

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 immediate or short terms, may, in fact, be required to be completed sooner than projected.

The Financial Forecast includes an upfront Capital Reserve in the amount of \$335,000 and also includes an annual reserve for capital improvements for years 1-10 in the amount of **\$118,241** for a total of **\$1,182,410**. The annual reserve will be funded from operating income.

#### **Environmental Condition – Landmark Center – Greensboro, NC**

A Phase 1 ESA was prepared by CRE Environmental (“CRE”) for the Landmark Center Property in September 2022. In the Phase 1, CRE concluded that there is no evidence of recognized environmental conditions (RECs), and/or historical recognized environmental conditions (HRECs). With regards to controlled recognized environmental conditions (CRECs) for the Landmark Center Property the assessment revealed the following:

- One CREC was identified in connection with the Landmark Center Property. A release of gasoline was reported in 2015 at the former Big K Express #4956 gas station. Land Use restrictions currently in place include prohibiting groundwater from use as a water supply and no wells may be installed. The NCDEQ issued a no further action letter on April 24, 2017. Therefore, no further investigation is warranted at this time based on the information reviewed and conditions at the time of the site reconnaissance.

#### **Environmental Condition – Boulevard Market Fair – Anderson, SC**

A Phase 1 ESA was prepared by CRE Environmental (“CRE”) for the Boulevard Market Fair Property in September 2022. In the Phase 1, CRE concluded that there is no evidence of recognized environmental conditions (RECs), historical recognized environmental conditions (HRECs), nor controlled recognized environmental conditions (CRECs) for the Boulevard Market Fair Property. No further investigation is warranted at this time.

#### **Restricted Use Affecting Boulevard Market Fair Property/Publix Lease**

Pursuant to that certain Declaration of Reciprocal Easements and Covenants dated January 4, 1995 recorded February 3, 1995, for as long as the lease with Publix at the neighboring property is in full force and effect, there is a prohibition on the operation of a gymnasium, health spa, or exercise facility at the Boulevard Market Fair Property.

The First Amendment to Declaration of Reciprocal Easements and Covenants dated June 17, 2019 and recorded July 8, 2019 permits leasing that certain 45,405 square foot space at the Boulevard Market Fair Property to (a) Anderson Gym, Inc. d/b/a Gold's Gym; (b) franchisor of Gold's Gym d/b/a Gold's Gym; (c) franchisee of Gold's Gym d/b/a Gold's Gym, and with prior consent from Publix (which shall not be unreasonably withheld, conditioned, or delayed) to an entity that conducts its business under the Gold's Gym Lease pursuant to a franchise agreement with a franchisor operating as a first-class fitness/gym national or regional chain with at least 100 fitness/gym facilities under one trade name, in each case to operate a first-class prototypical fitness/gym facility, including without limitation, free weight and aerobic training, Pilates, group exercise classes and training, personal training, spinning/cycling classes, yoga classes, and basketball, together with the incidental use and operation of professional physical therapy services, which may be operated 24-hours a day, 7-days per week provided:

- (i) The Gold's Gym Lease (*this references the initial Gold's Gym Lease*) shall be for an initial term of 10 years, with 2 options to renew for a period of 5 years each and shall not be renewed beyond that without Publix's written consent, which may be withheld in Publix's sole discretion;
- (ii) Gold's Gym shall not serve or sell any food or drink items except that the following shall be permitted within the gym: (i) one 4x3 foot refrigerated cooler from which Gold's Gym may sell a limited selection of non-alcoholic, (ii) 3 shelves of approximately 6 feet in length from which may sell a small selection of snack-foot or nutritional items (nuts, fruits, nutritional bars, and vitamins), (ii) incidental use and operation of a juice and smoothie bar within the gym, provided that (1) the smoothie bar does not exceed 3,283.50 square feet; (2) no food items will be sold or given away from the smoothie bar, and (3) the shelving shall not be located within any portion of the smoothie bar.

Further, in anticipation of the Gold's Gym Lease potentially being assigned to an entity/franchisee operating as a "Crunch Fitness", it is anticipated that Publix will execute a Waiver Agreement allowing Crunch Fitness fitness/gym facility offering free weight and aerobic training, Pilates, group exercise classes and training, personal training, spinning/cycling classes, yoga classes, and basketball, together with the incidental use and operation of professional physical therapy services, operating twenty-four (24) hours a day, seven (7) days a week.

The Crunch Fitness Waiver is specific to "Crunch Fitness" only until the expiration or earlier termination of the Lease agreement with Crunch Fitness. There is no guaranty that Publix will extend its waiver and/or any consent in the future to another fitness tenant which limits the pool of potential tenants for the premises, and Publix may withhold its consent in its sole discretion.

### **Documents Available**

Statements made in the Private Investment Memorandum 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 Private Investment Memorandum 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, Inc., 55 Fifth Avenue, 15th Floor, New York, New York 10003. Such documents include, but are not limited to, the Purchase and Sale Agreement, the organizational documents for the tenant in common purchasers, the existing leases, property condition report, environmental site assessments, the loan documents (when available) for the

acquisition loan), title report and survey for the Property. Prospective Investors or their representatives desiring to examine any and all of these documents should contact the Managers.

### **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**” or “**Co-Owner**” shall mean the Company 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 Co-Owner; (iii) “**Membership Interests**” shall mean the Membership Interests to be acquired by an Investor in a Co-Owner, which may include a sole membership interest for those Investors looking to use the Property to complete a 1031 or 1033 like kind exchange; (iv) “**Rollup Entity**” shall mean the limited liability company to which the Landmark Center TIC and/or the Boulevard Market Fair TIC is ultimately rolled up into as the owner of the applicable Property; and (v) any reference to the Landmark Center TIC and/or the Boulevard Market Fair TIC or the applicable Company shall mean a Rollup Entity after the roll up of the Landmark Center TIC and/or the Boulevard Market Fair TIC into a Rollup Entity. Prospective Investors should carefully consider the following additional risk factors:

- 1) **Variances 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 Memorandum, the actual results of the Property can be expected to be different than the projections 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. Neither the Managers, the Co-Owners, the Company, 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, RETAIL 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 Private Investment Memorandum 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 Memorandum. 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 Memorandum 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 Portfolio TIC.

- 3) **Mortgage Risk.** While leveraging the Property with one or more mortgages presents opportunities for increasing the total return, it may increase losses as well. Accordingly, any event that adversely affects the value of the Property would be magnified to the extent leverage is used. To the extent that either of the Portfolio TIC's engages in any leveraging, it will be subject to the risks normally associated with debt financing, including those relating to the ability to refinance any such mortgage and the insufficiency of cash flow to meet principal and interest payments, which could significantly reduce or even eliminate any distributions. Although the use of borrowed funds from a mortgage will increase investment returns if the Property earns a return greater than the cost of our borrowed funds, investment returns will decrease if the Property fails to earn a return equal to the cost of our borrowed funds. If the overall cost of borrowing increases, either by increases in the index rates or by increases in lender spreads, the increased costs may potentially reduce future cash flow available for distribution. Disruptions in the debt markets will negatively impact the Portfolio TIC ability to refinance the Initial Loan. The Financial Forecast includes a projected Acquisition Loan in Year 1. Such loan is projected to have a term of ten (10) years. The Financial Forecast estimates the interest rate for the entire term of such Loan at 6.65% per annum. The actual rate shall be fixed at closing and shall be based on the sum of (i) 260 basis points; (ii) the 10-YR SOFR rate. The actual rate has not yet been fixed and may be higher or lower than this estimated interest rate. This loan is anticipated to be interest only for the entire 10-year term. Such mortgages are projected to contain balloon payments at maturity, such mortgages involve a greater degree of risk because the ability of the borrower to make a balloon payment typically will depend upon its ability either to refinance the loan or to sell the Property in a timely manner. There is no guaranty as to the amount interest rate, and terms of such financings. Any change in the loan amount and/or actual 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.
- 4) **Risk as to Capital Improvements and Repairs.** Based on the Property Condition Report prepared by CRE Environmental for the Property, it is projected that \$717,328 will be utilized to complete capital improvements for the Property over the 10-year forecast period. The Financial Forecast includes an annual capital improvement reserve of \$118,241, over the ten (10) year forecast period in the aggregate total amount of \$1,182,410. This is well in excess of the amount estimated by CRE in the property condition report. In addition, \$385,000 of deferred maintenance will be funded from Invested Capital. Such capital improvement reserve will be funded from the operating income. There is no guaranty as to the adequacy of the operating income to cover required capital improvements over the ten (10) years forecast period.
- 5) **Risks Regarding Not Funding a Capital Call.** In the event that net cash flow and reserves are unavailable or insufficient to adequately cover the required capital improvements, leasing costs and/or 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, based on their respective ownership interests in the Property. In the event a member of any Co-Owner with multiple members fails to contribute their pro rata share of such capital call, then such Non-Contributing Member is subject to the dilution of their membership percentage interest (priority and residual interests) equal to 150% of the amount such non-contributing member failed to contribute. In the event a Co-Owner, with a sole member, 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.** The projected Loan with Morgan Stanley's contains certain Cash Sweep requirements. There is a risk that if the Property does not generate, over a trailing one year period, the required minimum debt service coverage ratio of 1.70X ("**Minimum DSCR**"), then the 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 Portfolio TIC subsequently achieves the Minimum DSCR for two (2) consecutive quarters. 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 Portfolio TIC 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 a twelve (12) month period subsequent to the date of calculation.

- 7) **Risk as to Lease Rollovers.** Should a tenant that is anticipated to extend their lease choose not to extend their lease upon proposed terms, the units will be vacant, which will reduce income and require the payment of additional leasing commissions and tenant incentives, including tenant improvement costs, which are not currently set forth in the Financial Forecast. During the next five (5) years Gabe's and Floor and Décor at the Landmark Center Property (approximately 45% of the aggregate square footage of such Property) have lease expirations. The Financial Forecast assumes these tenants elect their renewal options. If this does not occur, then this could have a material adverse effect on distributions to Investors.
- 8) **Risk as to Occupancy Levels.** The Managers and the managing agent will strive to increase the current occupancy level for the Property, as set forth in the Financial Forecast. In the Financial Forecast it was assumed that the average economic occupancy level, during the 10-year forecast period, will be 91.5%. 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 distributions paid to Investors. **DUE TO THE LASTING IMPACT OF COVID-19, OFFICE DEMAND COULD BE GREATLY REDUCED AND PROJECTED RETURNS COULD BE NEGATIVELY IMPACTED CAUSING A LOSS OF INVESTED CAPITAL.**
- 9) **Risk as to increasing Property Taxes.** The Property will be subject to real and personal property taxes that may increase upon the purchase of the Property and as property tax rates change and as the properties are assessed or reassessed by taxing authorities. Some of our leases may provide that the property taxes, or increases therein, are charged to the lessees as an expense related to the properties that they occupy. Portfolio TIC, as the owner is ultimately responsible for payment of the taxes to the government. If property taxes increase, the tenants may be unable to make the required tax payments, ultimately requiring the Portfolio TIC to pay the taxes. In addition, the Portfolio TIC will generally be responsible for property taxes related to any vacant space. Consequently, any tax increases may adversely affect the results of operations and materially affect any distributions to the Investors.
- 10) **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 Portfolio 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 of these leasing risks could ultimately affect the cash available for distribution to Investors. In addition, due to lasting impacts of COVID demand for retail space in the future could be greatly reduced. In such 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.

11) **Fraudulent Conveyance Risk**

The Property was previously owned by Sears and operated as a Kmart. In connection with Sears' bankruptcy, Sears in 2018, transferred 235 Sears retail properties (including the Property) to the Seller (Seritage KMT Finance LLC ("**Seritage**"), a publicly traded REIT, (such property transfers to the Seller are referred to as the "**Sears Transfers**"). In 2018, a fraudulent transfer claim was filed in the Sears Bankruptcy case against Seritage to rescind such Sears Transfers. Such fraudulent transfer claim still exists as to all of such Sears Transfers, including the Property, however First American Title Insurance Company, who will provide title insurance for the owner's and lender's title insurance policies for the acquisition and financing for the Property, will provide an endorsement to insure over such fraudulent transfer claim. Such endorsement insures against any actual loss incurred due to title not being vested in the Portfolio TIC if Sears Transfers (including the transfer of the Portfolio to the Seller) are rescinded. Such endorsement also covers any actual loss incurred by Morgan Stanley, as to their first mortgage loan for the acquisition of the Property, due to any invalidity/lack of priority of the lien of their first mortgage on the Property.

12) **COVID Risk.** The COVID 19 or any variant (collectively "**Covid**") Pandemic may have a serious negative impact on the demand for retail space long after it is over. It is uncertain at this time, as to what extent people will be restricted by federal, state and local ordinances.

To the extent the COVID Pandemic persists and continues and/or another Pandemic or variant of Covid occurs, this 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 likely impact of COVID on the economic conditions and the operation of the Property. As a result, there can be no assurance that the Property will achieve anticipated cash flow levels. The Managers will attempt to account for the current weakness of the economy created by COVID 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 Pandemic still exists, it is almost impossible to accurately predict the long-term economic impact that it will have on the Property.

13) **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. 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, then, this could affect the distributions to be made to the Investors. In addition, due to lasting impacts of COVID, demand for retail space in the future could be greatly reduced. In such case it may be impossible to attract new tenants and returns to investors would be much lower than set forth in the Financial Forecast. Certain of the buildings which make up the Property may include special use or build-to-suit properties. These types of buildings are relatively illiquid compared to other types of real estate

and financial assets and this illiquidity will limit our ability to lease such buildings in response to changes in economic or other conditions. With such properties, if the current lease is terminated or not renewed, the Portfolio TIC may be required to renovate the property or to make rent concessions in order to lease the property to another tenant, finance the property or sell the property. In addition, in the event we are forced to sell the property, we may have difficulty selling it to a party other than the tenant or borrower due to the special purpose for which the property may have been designed. These and other limitations may affect our ability to sell or relet these buildings and adversely affect our results of operations at such buildings.

- 14) **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 Portfolio 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 Portfolio TIC, the quality of the surrounding area and a variety of other factors. The success of the Portfolio TIC will depend to a large degree upon its ability to compete with other similar retail properties, which in turn depends upon its ability to be competitive as to the foregoing factors. The failure of the Portfolio TIC to establish and maintain a favorable market position could have a material adverse effect on its profitability.
- 15) **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. The Financial Forecast includes capital improvement and leasing reserves funded by operating income, pay for capital improvements, tenant improvements and leasing commissions. There is no guaranty that operating income will be sufficient to cover such expenditures. In addition, inflationary pressures could increase operating expenses above expected levels, thereby decreasing profitability to the extent rents cannot be raised by corresponding amounts.
- 16) **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. Interest rates are currently rising and may be significantly higher than the projected interest rates utilized in formulating the Financial Forecast. Increases in interest rates can significantly decrease actual returns to investors and, further, can result in a loss of invested capital. Furthermore, the inability of a major tenant or a number of smaller tenants to meet their rental obligations would adversely affect our income. Therefore, the Property's financial success will be indirectly dependent on the success of the businesses operated by the tenants. The weakening of the Financial condition of or the bankruptcy or insolvency of a significant tenant or a number of smaller tenants and vacancies caused by defaults of tenants or the expiration of leases may adversely affect the operations and the ability to pay distributions.
- 17) **Uninsured Losses.** The Portfolio 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 Portfolio TIC may lose all or part of its investment. The Portfolio 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.

- 18) **Risk as to Management of the Property.** Prior to the roll up of the tenant in common purchasers, the Investors who become the sole member of a Co-Owner, 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 applicable 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 applicable Property). Notwithstanding the above, any Investor who becomes a member in a multi-member Co-Owner, who is not purchasing their investment to implement a 1031 or 1033 like kind exchange, does 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 like kind exchange. Such additional approval rights are granted to a 1031 or 1033 investor prior to the roll up of the tenant in common purchasers since they may be required under Section 1031 or 1033 of the Internal Revenue Code, as amended, 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. If one of both of the Properties is rolled up into a Rollup Entity, the sole member of a Co-Owner will no longer have such approval rights. After the roll up of the tenant in common purchasers, the Managers shall have board discretion over the operation and management of the applicable Property and the Members of a Rollup 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 Rollup Entity and/or the applicable Property in the same manner as that member did prior to the rollup.
- 19) **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 tenant in common purchasers and their respective companies and/or members comprising tenant in common purchasers. These conflicts of interest include, but are not limited to, the following:

**a. Competition by the Co-Owners 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 tenant in common purchasers 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 tenant in common purchasers and the Members of companies comprising the tenant in common purchasers 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 tenant in common purchasers. Accordingly, there may be conflicts of interest on the part of the Managers and their Affiliates (including TEI) between the tenant in common purchasers and other entities and real estate investments or properties which they are involved.

**c. Tax Partnership Representative**

Pursuant to the operating agreement for each Co-Owner or a Rollup 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.

**d. Lack of Separate Representation**

Certain of the attorneys, involved in the acquisition and/or financing of the Property and preparation of this Private Placement Memorandum, 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.

**e. 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.

**f. 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 provided in the operating agreement for Rollup 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 a Rollup 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 a Rollup 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 Rollup, 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 tenant in common purchaser, where the Managers may desire to undertake a 1031 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 like kind exchange or do not want to use such net sales proceeds for the replacement property selected by the Managers.

**g. Conflicts as to Obligations under Loan Documents (including those between Guarantor and the Members of each Co-Owner constituting the tenant in common purchasers) and/or a Rollup 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 tenant in common purchasers 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 tenant in common purchasers violate a condition of a loan agreement that would be advantageous to the tenant in common purchasers 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 tenant in common purchasers. Due to the fact that such actions, while potentially favorable to the Members or the tenant in common purchasers, might be personally detrimental to a Manager, the following provisions shall be included in the operating agreement for each company comprising the tenant in common purchasers and/or a Rollup Entity and pertain to any actions that might be taken in connection with the ownership and operation of the Property by the tenant in common purchasers or a Rollup Entity and the administration of the loans and/or other obligations of the tenant in common purchasers or a Rollup 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 tenant in common purchasers' or a Rollup 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 tenant in common purchasers' or a Rollup 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 tenant in common purchasers or a Rollup 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 tenant in common purchasers' or Rollup Entity's interest in some or all of its assets. Such actions may include transferring the Property to a lender in lieu of foreclosure.

#### **h. 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 tenant in common purchasers or a Rollup Entity, which duty will govern their actions in all such matters. While the foregoing conflicts of interest could materially and adversely affect the tenant in common purchasers or a Rollup 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.

- 20) **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 for 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. Neither the Co-Owners, nor the Managers can guaranty that hazardous substances and/or wastes will not be discovered on the Property during the tenant in common purchasers' or a Rollup Entity's ownership or after sale to a third party. If such hazardous substances or wastes are discovered on the Property, the tenant in common purchasers may be required to remove those hazardous substances and clean up the Property, and the tenant in common purchasers, may incur full recourse liability for the entire cost of any such removal and cleanup. The tenant in common purchasers cannot guaranty that the cost of any such removal and cleanup would not exceed the value of the Property or that the tenant in common purchasers could recoup any such costs from a third party. The tenant in common purchasers or a Rollup Entity 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 in the 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.
- 21) **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.

- 22) **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 tenant in common purchasers or a Rollup Entity. 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.
- 23) **1031 or 1033 Like Kind Exchange Risk.** Neither the Co-Owners or the Managers make any representation and/or warranty as to the ability of any Investor to qualify their acquisition of a sole membership interest in a tenant in common owner as a 1031 or 1033 like kind exchange. Also, neither the Co-Owners or the Managers also make no representation and/or warranty that the tenancy in common structure for the tenant in common purchasers shall be treated as an interest in real property for federal income tax purposes in connection with the application of Sections 1031 or 1033 of the Internal Revenue Code of 1986, as amended (the “Code”). There is no guaranty as to the actual Closing Date and to whether or not the Closing will occur in a timely matter to accommodate any 1031 or 1033 Investor’s time period to either designate the Property as a replacement Property or to complete the actual closing to qualify this acquisition as a 1031 or 1033 like kind exchange. Any such Investor, who is making an investment in order to qualify for a 1031 or 1033 like kind exchange, should check with their attorneys, investment advisors, accountants and/or qualified intermediary as to whether or not their investment and the structure for their investment in the Property would qualify, in whole or part, as a tax free exchange. To the extent such investment does not so qualify and/or the tenancy in common structure for the tenant in common purchasers would not be treated as an interest in real property for purposes of Sections 1031 or 1033 of the Code, then neither the Co-Owners or the Managers shall not have any liability and/or obligation to such Investor as to any such non-compliance and any income tax penalty that may be imposed on any such Investor.

The uses for Invested Capital consist of the following ineligible uses for exchange proceeds.

• Mortgage Costs	\$200,000
• Working Capital and Reserves	\$511,989
• Deferred Maintenance	\$335,000
<b>Total</b>	<b>\$1,046,989</b>

Each of the 1031 and/or 1033 Investors would have to separately fund their pro rata share of these costs at closing. If exchange proceeds were used to fund a 1031 or 1033 Investor’s pro rata share of such ineligible costs, then such amounts would be taxable. Investors, implementing a 1031 or 1033 like kind exchange, are urged to discuss with their qualified intermediaries, accountants

and/or lawyers to ascertain the permissible uses for their exchange proceeds and the tax implications if they decide to use exchange proceeds for the above costs.

- 24) **No Market for Membership Interests.** It is not anticipated that any public market will exist for the membership interests in the Co-Owners or a Rollup Entity, and the operating agreements for each of the Co-Owners and a Rollup Entity 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 in a Co-Owner or a Rollup Entity may not be able to sell their membership interests should a need for personal funds arise, and the price received in any sale of such 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.
- 25) **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 agreements for the Co-Owners or a Rollup 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 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 of the Co-Owners 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 a Co-Owner. 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.
- 26) **Liability of Members/Risk as to Return of Distributions.** In general, members of the Co-Owners or a Rollup 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 Company would be insufficient to pay the then outstanding liabilities of the tenant in common purchasers (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 the limited liability company). Otherwise, members are generally not liable for the debts and obligations of a Co-Owner beyond the amount of the capital contributions they have made or are required to make under the operating agreement.
- 27) **Limitation of Liability/Indemnification of the Managers.** The Managers and its attorneys, agents and employees may not be liable to the Investors or the Members of any Co-Owner or a Rollup Entity 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 tenant in common purchasers' and/or a Rollup Entity's assets by the amount paid.
- 28) **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.

- 29) **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.
- 30) **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 tenant in common purchasers 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 remaining members and the Managers would face severe financial demands that would adversely affect the remaining Members as a whole and, thus, the investment in the membership interests by the remaining Members.
- 31) **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 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.
- 32) **General Tax Risks.** There are substantial risks associated with the federal income tax aspects of an investment in the tenant in common purchasers. In addition to continuing IRS reexamination of the tax treatment of partnerships, the income tax consequences of an investment in the tenant in common purchasers 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.**
- 33) **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 its 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.

- 34) **Risks regarding the Distribution of the IRS Schedule K-1 Tax Form.** Following a future Rollup, 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 FORECASTS OF OPERATION OF  
LANDMARK CENTER & BOULEVARD MARKET FAIR FOR THE PERIOD FROM  
JANUARY 1, 2023 THROUGH DECEMBER 31, 2023**

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 in January 2023. The annual periods in the forecasts are from January through December.

**Acquisition:** The Property is anticipated to be purchased for a total first year projected cost of \$26,052,140. The purchase price for the Portfolio TIC is \$23,500,000. The closing date is expected to be on or before December 16, 2022.

**Invested Capital:** The total Invested Capital is \$11,052,140 and will be funded at closing.

**Acquisition Loan:** Bank of America is projected to provide an acquisition loan in the projected amount of \$15,000,000.

The interest rate for the loan is projected to be 6.65%, with monthly interest only payments for the full ten-year term.

**Income:** The Property is currently approximately 96.5% occupied and leased to 7 tenants. The leases from these tenants are projected in the first year of operation to generate a net cash flow, before reserves, of approximately \$2,096,253.

**Occupancy and Vacancy Factor:** The going-in occupancy rate after closing is assumed to be 91.5% with an average ten-year occupancy rate of 91.5%

**Management Fees:** The Property will be asset managed by Time Equities Inc at a fee equal to 1.50% of total revenue collection, and Property managed by Time Equities Inc. in cooperation with a local non-affiliated leasing and management company, Wilson Kibler, at an aggregate fee not to exceed 2.50% of total revenue collections.

**Market Leasing and Rent Assumptions:**

Below are the rent assumptions utilized in the Financial Forecast.

Location	Rent Assumptions					
	Market Rent	Term	Downtime	Months For Rent Abatement	Leasing Commission	Renewal Probability
Boulevard Market Fair	\$10.00 - \$15.00	10 Years	12 – 18 Months	6 New/4 Renewal	6% New/ 3% Renewal	75%
Landmark Center	\$6.00 – \$10.00	10 Years	12 - 18 Months	6 New/4 Renewal	6% New/ 3% Renewal	75%

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

**Working Capital and  
Reserves:**

Part of the Invested Capital, in the amount of \$511,989, is estimated to be used to fund a working capital or reserve fund. In addition, \$335,00 has been earmarked for immediate deferred maintenance and capital improvement work. Other than the above amounts, the working capital and reserves are not utilized in the Financial Forecast over the ten (10) year forecast period.

**EXHIBIT A**  
**FINANCIAL FORECAST**

Seritage Greensboro & Anderson

RETAIL - 10 Year Cash Flow

TEI Purchase Price	\$23,500,000
TEI Purchase Price: SP5F	\$79.50
Cap Rate: Year 1 Before Reserves	8.92%
Cap Rate: Year 1 After Reserves	7.61%
Debt	15,000,000
Equity	8,500,000
Closing Costs	2,552,140
Total Levered Equity Plus Closing Costs	11,052,140
Total Unlevered Equity Plus Closing Costs	25,852,140
Square Feet	295,602
Current Occupancy	Occupied Area

Debt Assumptions: Proposed New	
LTV	64%
Interest	6.65%
Amortization	0
Constant	6.65%
Balance	15,000,000
Annual Debt Service	997,500

Closing Costs	
Mortgage Costs	1.0%
Mortgage Misc. Costs	50,000
Acquisition Fee	470,000
Legal Fees	75,000
Due Diligence Costs	18,780
Title Insurance	45,000
Survey	12,200
Working Capital & Reserves	846,989
Incremental Lease-Up Costs	0
Broker-Dealer Fee	884,171
TOTAL	2,552,140

	SP5F	AVG TULC	YR 1 2023	YR 2 2024	YR 3 2025	YR 4 2026	YR 5 2027	YR 6 2028	YR 7 2029	YR 8 2030	YR 9 2031	YR 10 2032
Average Physical Occupancy	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%
Average Economical Occupancy	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%
Operating Income		Yr 1										
Scheduled Base Rent	8.39		2,480,940	2,480,940	2,536,820	2,578,719	2,591,450	2,641,706	2,700,003	2,747,963	2,783,234	2,801,439
Expense Recoveries	2.08		614,290	624,442	641,211	655,872	682,725	698,843	719,643	741,052	763,089	785,905
Goods Gym Deferred Rent	0.15		44,750	44,750	44,750	44,750	44,750	41,021	0	0	0	0
Total Operating Income	10.62		3,139,980	3,150,131	3,222,781	3,279,341	3,318,925	3,381,569	3,419,646	3,489,015	3,546,323	3,587,344
General Vacancy	0.00	0.0%	0	0	0	0	0	0	0	0	0	0
Credit Loss	(0.53)	5.0%	(156,999)	(157,507)	(161,139)	(163,967)	(165,946)	(169,078)	(170,982)	(174,451)	(177,316)	(179,367)
Mgmt Fee Variance Income	0.02	4.0%	6,280	6,300	6,446	6,559	6,638	6,763	6,839	6,978	7,093	7,175
Effective Gross Income	10.11		2,989,261	2,998,925	3,068,087	3,121,932	3,159,617	3,219,254	3,255,503	3,321,543	3,376,100	3,415,151
Reimbursable Expenses												
\$SNO/W- Snow Removal	0.03		9,991	10,291	10,599	10,917	11,245	11,582	11,930	12,288	12,656	13,036
&TAX- Real Property Taxes	1.70		503,516	508,551	513,636	518,773	542,102	553,886	570,502	587,618	605,246	623,403
*INS- Liability Insurance	0.08		24,515	25,251	26,008	26,788	27,592	28,420	29,272	30,151	31,055	31,987
*INS- Property Insurance	0.12		34,686	35,727	36,798	37,902	39,039	40,211	41,417	42,659	43,939	45,257
Day Cleaning/Portering	0.00		1,073	1,105	1,138	1,172	1,207	1,244	1,281	1,319	1,359	1,400
Electrical Repairs	0.07		21,924	22,581	23,259	23,956	24,675	25,415	26,178	26,963	27,772	28,605
Exterior Landscaping	0.10		28,608	29,466	30,350	31,260	32,198	33,164	34,159	35,184	36,239	37,327
HVAC Maintenance	0.00		837	862	888	915	942	971	1,000	1,030	1,060	1,092
LSS- Life Safety System	0.04		11,063	11,395	11,737	12,089	12,452	12,826	13,210	13,607	14,015	14,435
Mall Owner/Developer Pymts	0.01		2,509	2,585	2,662	2,742	2,824	2,909	2,996	3,086	3,179	3,274
NR- Roofing Repairs	0.05		14,220	14,647	15,086	15,539	16,005	16,485	16,980	17,489	18,014	18,554
Night Cleaning/Sweeping	0.05		15,014	15,464	15,928	16,406	16,898	17,405	17,927	18,465	19,019	19,590
Other Cleaning/Pressure Washing	0.01		1,947	2,005	2,065	2,127	2,191	2,257	2,324	2,394	2,466	2,540
Other Rprs/Maint	0.02		7,210	7,427	7,649	7,879	8,115	8,359	8,610	8,868	9,134	9,408
Parking R.M.S	0.02		5,460	5,624	5,793	5,967	6,146	6,330	6,520	6,716	6,917	7,125
Plumbing Main	0.00		1,315	1,355	1,395	1,437	1,480	1,525	1,571	1,618	1,666	1,716
UTIL- Electricity	0.14		40,161	41,365	42,606	43,885	45,201	46,557	47,954	49,392	50,874	52,400
UTIL- Gas	0.00		1,163	1,197	1,233	1,270	1,308	1,348	1,388	1,430	1,473	1,517
UTIL- Water / Sewer	0.13		37,045	38,157	39,302	40,481	41,695	42,946	44,234	45,561	46,928	48,336
Mgmt- Other Resov Oper Costs	0.27	2.5%	78,499	78,753	80,570	81,984	82,973	84,539	85,491	87,225	88,658	89,684
Total Reimbursable Expenses	2.84		840,757	853,809	868,705	883,491	916,291	938,378	964,945	993,063	1,021,671	1,050,687
Non Reimbursable Expenses												
NR - TEI Asset Mgmt Fee	0.16	1.5%	47,100	47,252	48,342	49,190	49,784	50,724	51,295	52,335	53,195	53,810
NR - TEI Travel	0.02		5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720
Total Non Reimbursable Expenses	0.18		52,250	52,556	53,805	54,818	55,580	56,694	57,444	58,669	59,719	60,530
Net Operating Expenses	3.02		893,007	906,365	922,510	938,309	971,872	995,072	1,022,389	1,051,732	1,081,389	1,111,216
Net Operating Income	7.09		2,096,253	2,092,560	2,145,577	2,183,624	2,187,745	2,224,182	2,233,114	2,269,811	2,294,710	2,303,935
Cap Rate Before Reserves		8.5%	8.1%	8.1%	8.3%	8.4%	8.5%	8.6%	8.6%	8.6%	8.6%	8.9%

	10-yr avg	10-yr avg										
Tenant Improvements	0.40	108,226	108,226	108,226	108,226	108,226	108,226	108,226	108,226	108,226	108,226	108,226
Leasing Commissions	0.31	87,591	82,491	82,491	84,349	85,742	86,166	87,837	89,775	91,370	92,543	93,148
Capital Reserves	0.40	118,241	118,241	118,241	118,241	118,241	118,241	118,241	118,241	118,241	118,241	118,241
Total Leasing & Capital Costs	1.11	314,058	308,958	308,958	310,816	312,209	312,632	314,303	316,242	317,836	319,009	319,614
Unlevered Net Cash Flow			1,787,296	1,783,602	1,834,761	1,871,415	1,875,113	1,909,879	1,916,873	1,951,974	1,975,701	1,984,220
Cap Rate After Interest		7.3%	6.5%	6.5%	7.1%	7.2%	7.3%	7.4%	7.4%	7.4%	7.4%	7.6%
Debt Service			997,500	997,500	997,500	997,500	997,500	997,500	997,500	997,500	997,500	997,500
Cash Flow after Debt Service			789,796	786,102	837,261	873,915	877,613	912,379	919,373	954,474	978,201	986,820
DSCR			2.10x	2.10x	2.15x	2.19x	2.19x	2.23x	2.24x	2.28x	2.30x	2.31x

	10-yr avg										
ROE: LEVERED	8.07%	7.15%	7.11%	7.58%	7.91%	7.94%	8.26%	8.32%	8.64%	8.85%	8.93%
ROE: UNLEVERED	7.31%	6.91%	6.90%	7.10%	7.24%	7.25%	7.39%	7.41%	7.55%	7.64%	7.68%

Notes  
Pulled forward Gold's and Sportsman's 2023 rent steps

Working Capital & Future Leasing Costs	
Working Capital	2.0%
Deferred Maintenance & CapEx	\$335,000
Interest Earning	(\$16,450)
Pushed Up Rent Increases	\$58,439
Total Working Capital & Reserves	\$846,989
Total Incremental Lease-Up Costs	\$0

Price	\$23,500,000	\$23,500,000
Price PSF	\$79	\$79
Closing Costs/Reserves	\$2,352,140	\$2,352,140
Incremental Lease-Up Costs	\$0	\$0
TOTAL EQUITY	\$25,852,220	\$25,852,220
In-Place No Credit Loss		In-Place 5.0% Credit Loss (\$150,719)
Economic Occupancy:	96.5%	91.5%
Unlevered		
NOI Before Debt Service	\$2,246,972	\$2,096,233
NCF Before Debt Service	\$1,938,015	\$1,787,296
Cap Rate Before:	8.7%	8.1%
Cap Rate After:	7.5%	6.9%
Levered*		
NOI After Debt Service	\$1,249,472	\$1,098,753
NCF After Debt Service	\$940,515	\$789,796
Cap Rate Before:	11.3%	9.9%
Cap Rate After:	8.5%	7.1%