

**Project Supplement No. 4**  
**(Dated April 24, 2026)**  
**to the Supplement**  
**of TEI Diversified Income & Opportunity Fund VII, LLC,**  
**dated July 1, 2025 and amended by that Addendum #1 dated November 13, 2025**

This Project Supplement No. 4 (this “**Supplement**”) dated April 24, 2026 modifies and supplements the Confidential Private Placement Memorandum of TEI Diversified Income & Opportunity Fund VII, LLC dated July 1, 2025 and amended by that Addendum #1 dated November 13, 2025, and that Addendum #2 dated February 19, 2026 and should be read only in conjunction with the Memorandum previously issued. Terms with initial capitals not otherwise defined in this Supplement have the meanings set forth in the Memorandum.



**Supplement**

This Project Supplement pertains to the acquisition of portions of the property located at 1851-1892 North Neltnor Boulevard, West Chicago, Illinois (the “**Property**”)

## Acquisition and Business Plan

The Property consists of four separate, noncontiguous tax parcels that are part of a larger shopping center located on the northeast corner of North Avenue and North Neltnor Boulevard in West Chicago, Illinois. The parcels that make up the Property consist of a combined land area of approximately 14.91 acres. Two of the parcels are currently improved with a multi-tenant retail property that was constructed in 1988 and contains approximately 100,242 square feet of rentable building area. The remaining two parcels are unimproved. The Property was purchased by a Mosaic Crossing TEI Equities LLC, Mosaic Crossing City Center Square LLC, Mosaic Crossing ML Portfolio LLC, Mosaic Crossing 600 Bond Nassau Dutch John LLC, Mosaic Crossing CH Equities LLC, Mosaic Crossing Spectrum Center LLC, Mosaic Crossing Leigus JR LLC, and Mosaic Crossing CEEG IV LLC, as tenants in common (collectively, the “**Mosaic Crossing TIC**”) on April 10, 2016.

The Property’s existing building is ~~currently~~ approximately 98.6% occupied by 12 tenants as of the date hereof. The Property’s largest tenant is Planet Fitness. Planet Fitness occupies approximately 23,500 square feet (23.44% of the Property’s leasable area). Planet Fitness currently pays a gross annual base rent of \$13.75 per square foot, per year, which is scheduled to increase by 10% to \$15.13 per square foot on September 1, 2027 pursuant to the terms of their existing lease. Planet Fitness may choose to extend its lease term with two (2) five-year renewal options upon expiration of the initial term on August 31, 2031, subject to the terms and conditions set forth in their lease, including any applicable notice and exercise requirements, but there is no guaranty that such options will be exercised.

The Property’s other large tenants include Guy Merker (a local gymnastics training facility), Kids Empire (a national indoor playground chain), PVR Events (a banquet hall), and Dollar Tree. These tenants occupy a combined 54,810 square feet, or approximately 54.68% of the Property’s GLA. Guy Merker pays a current annual base rent of \$11.52 per square foot on a gross basis. Kids Empire, PVR Events, and Dollar Tree pay annual base rents of \$13.50, \$10.00, and \$11.50, respectively, on a triple-net basis. See section titled “Description of Existing Tenants” on page 5 below for additional information. Current annual in-place rents average approximately \$14.50 per square foot across the entire Property; however, such averages may not be indicative of future rental rates or cash flow.

According to JLL’s most recent Chicago retail market statistics report (the “**JLL Report**”), the average market rental rate for Chicago retail properties as of Q2 2025 was \$22.01 per square foot. The JLL Report also notes that vacancy rates hit a near 30-year record low of 4.9% in 2025, and that the market saw strong leasing activity. CoStar Inc. (“**CoStar**”) suggests that rents and leasing activity have remained strong for the Chicago retail market through 2026, indicating an average asking rent of \$22.25 and a vacancy rate of 4.9% for the overall Chicago retail market in Q1 2026. CoStar includes the Property as part of its Western Chicago Retail Corridor Submarket, which it states saw an average asking rent of \$21.63 per square foot in Q1 2026, a figure that is generally in line with that of the larger Chicago Retail Market. This market research is provided for informational purposes only and should not be relied upon as a guarantee or projection, and while it may suggest that there could be an opportunity to raise the Property-wide average rental rate as existing tenants’ leases expire, there is no guaranty that market conditions will continue, that tenants will renew their lease terms, or that higher rental rates will be achieved.

The purchase price for the Property was \$13,700,000, which equates to \$136.67 per square foot of rentable building area. The projected going-in capitalization rate for the purchase of the Property based on the projected year-1 net operating income is approximately 8.45%, which is an estimate only and subject to change based on actual operating results. The Fund invested \$350,000.00 to acquire a 33.3333% membership interest in Mosaic Crossing TEI Equities LLC which acquired a 7.1688% undivided tenant in common interest in the Property.

The primary business plan is to collect the projected cash flow from the existing leases and seek to maintain rents as the leases expire. The Financial Forecast is attached hereto as Exhibit I (the “**Financial Forecast**”).

The Property was acquired in an all-cash transaction for a purchase price of \$13,700,000. All closing costs, initial working capital, and other transaction-related expenses, which are projected in the Financial Forecast to total \$491,000, were funded with cash. The Financial Forecast assumes that a mortgage in the amount of \$8,500,000 (the “**Initial Loan**”) which will be procured in Year Two of operations. The Initial Loan is projected to have a five-year term, the first two years of which will require payments of the interest only, while the remainder of the term will require amortized payments. The proceeds of the Initial Loan will be used to fund major outstanding capital expenditures (consisting primarily of roof repair deemed necessary by the Sponsor) in a projected amount of \$449,906, in addition to estimated mortgage costs of \$135,000, and to reduce Invested Capital.

The Financial Forecast assumes that in Year Seven of operations, upon maturity of the Initial Loan, its remaining balance will be paid in full using the proceeds of a new mortgage (the “**Refinance Loan**”); however, there is no guaranty that such refinancing will be available on favorable terms or at all. The Refinance Loan is projected in the Financial Forecast to be fully amortizing, have a 10-year term, and carry an interest rate of 5.50% which is an estimate only and subject to change based on then-prevailing market conditions. In addition to paying the balance of the Initial Loan, the proceeds generated by the Refinance Loan will be used to fund its estimated mortgage costs of \$130,672, and to reduce invested capital by \$440,195; however, actual results may differ materially from such projections.

**Property Description:**

ADDRESS: Portions of 1851-1892 North Neltnor Boulevard, West Chicago, IL 60185

LAND AREA (ACRES): +/- 14.91

LAND AREA (SF): +/- 649,480

PARCEL NUMBERS: 01-28-403-027, 01-28-403-028, 01-28-403-029, & 01-28-403-030

**Building Description:**

ADDRESS: Portions of 1851-1892 North Neltnor Boulevard, West Chicago, IL 60185

GROSS SQUARE FEET:	+/- 99,660
RENTABLE AREA:	+/- 100,242
YEAR BUILT:	1988
PARCEL NUMBERS:	01-28-403-029 & 01-28-403-030
STRUCTURE:	Steel-framed, Concrete masonry
FOUNDATION:	The foundation(s) was/were not readily visible. Based on experience with similar type buildings, the foundations would likely consist of reinforced-concrete slabs on grade with grade beams
ROOF:	The roofing system is flat and covered with an ethylene propylene diene monomer (EPDM) membrane
LIGHTING:	Primary lighting in the buildings is provided by a variety of fluorescent ceiling fixtures, incandescent, track and display lighting in the tenant spaces. The tenant spaces are built out in accordance with the tenant's needs
ELECTRICAL:	Electrical service to the buildings runs from pole or pad-mounted transformers into the main electrical panel switch gear and meters of the buildings. From there, the power is routed to electrical panels and breakers inside each tenant space. It is estimated that the tenant(s) are supplied with 600 amp, 3-phase, 4-wire service, at 240/208/120 volts

### **Regional Description and Property Location**

Chicago is a city in, and the county seat of, Cook County in northeast Illinois. With over 2.6 million residents, it is the third-most populous city in the United States. The metropolitan area, often referred to as Chicagoland, is home to nearly 9.2 million people and is the third-largest MSA in the country.

Chicago has the third-largest gross metropolitan product in the United States at approximately \$765 billion, making it equivalent to the 21<sup>st</sup> -largest economy in the world. It is an international hub for finance, commerce, industry, technology, telecommunications and transportation. Its economy and population are diverse, productive and affluent, and in 2024, it was ranked tenth in the world in Kearney's annual Global Cities Index Report which analyzes the connectivity and global character of the world's most internationally connective and influential metropolitan areas.

Additionally, Chicago is the third-largest inter-modal port in the world after Hong Kong and Singapore, and more U.S. highways and railroad freight lines run through the metropolitan area

than any other city in the country. Seven mainline and four auxiliary interstate highways run through the area, while six of the seven Class I railroads meet in Chicago.

### **Existing Tenants of the Property**

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

<b><u>Tenants</u></b>	<b><u>Square Footage</u></b>	<b><u>Current Term Lease Expiration</u></b>	<b><u>Rent PSF</u></b>	<b><u>Lease Type</u></b>
Planet Fitness	23,500	8/31/2031	\$13.75	Gross
Fresenius Medical	7,640	10/31/2028	\$33.32	Net
Guy Merker	13,110	1/31/2035	\$11.52	Gross
Kids Empire	15,000	5/31/2032	\$13.50	Net
PVR Events	13,750	3/31/2030	\$10.00	Net
Dollar Tree	12,950	5/31/2031	\$11.50	Net
Kiddyplace Learning	3,780	4/30/2029	\$15.28	Net
Mailboxes Etc.	1,120	3/31/2027	\$29.34	Net
Beau Nail Bar	2,963	6/30/2032	\$14.00	Net
Rapid Testing	2,229	1/31/2028	\$19.56	Net
MTZ Motors	1,400	8/31/2027	\$15.00	Gross
4EM United Gaming	1,400	7/31/2029	\$13.80	Net
<b>Total Occupied SF</b>	<b>98,842</b>			
<b>Current Occupancy</b>	<b>98.6%</b>			

### **Description of Primary Existing Tenants:**

#### Planet Fitness

23,500 SF; lease expiration 8/31/2031 (2 five-year extensions available subject to the terms and conditions of their lease, including applicable notice and exercise requirements)

Planet Fitness is a national fitness center operator focused on providing a high-quality, affordable gym experience to a broad customer base. Founded in 1992, the company operates thousands of

locations across the United States and internationally, primarily through a franchised model. Planet Fitness is known for its “Judgement Free Zone®” philosophy, which emphasizes a welcoming, non-intimidating environment for casual and first-time gym users. The brand offers a consistent, standardized fitness format featuring cardio and strength-training equipment, extended operating hours, and competitively priced memberships, which is intended to support strong customer retention and recurring revenue; however, there is no guaranty that such performance will continue at this location.

#### Dollar Tree

12,950 SF; lease expiration 5/31/2031 (one five-year extension available subject to the terms and conditions of their lease, including applicable notice and exercise requirements)

Dollar Tree, Inc. is a national discount variety retailer offering a broad assortment of everyday consumer goods at value-oriented price points. Founded in 1986, the company operates thousands of stores across the United States and Canada under the Dollar Tree and Family Dollar banners. Dollar Tree locations provide essential merchandise including household goods, food and snacks, health and beauty products, cleaning supplies, party items, and seasonal décor. The company’s general simple, high-volume operating model and focus on nondiscretionary items are intended to support consistent customer traffic across economic cycles; however, there is no guaranty that such performance will be maintained at this location.

#### Kids Empire

15,000 SF; lease expiration 5/31/2032 (2 ten-year extensions available, subject to the terms and conditions of their lease, including applicable notice and exercise requirements)

Kids Empire is a growing family entertainment and indoor playground operator focused on providing safe, engaging, and climate-controlled play environments for children. Founded in 2015 and headquartered in California, the company operates numerous locations across the United States, typically in well-located suburban retail centers. Kids Empire locations feature large-format indoor play structures, party rooms, and interactive attractions designed for children of varying age groups; however, there is no guaranty regarding the continued operation or financial performance of this tenant in this location.

#### **Estimated Uses for the Invested Capital**

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

#### **SOURCES**

The total Invested Capital was **\$14,191,000**.

The estimated uses of Invested Capital are:

Purchase Price	\$13,700,000
TEI Acquisition Fee	\$274,000
Legal Fees	\$60,000
Due Diligence Costs	\$20,000

Title Insurance	\$15,000
Survey	\$10,000
Seller Credit	(\$25,000)
Working Capital	\$137,000
<b>Total Capitalization</b>	<b>\$14,191,000</b>

Due Diligence costs include the cost for the property condition and zoning reports, the environmental assessment, travel costs, and interest at the rate of 11.50% per annum on the loan provided by an affiliate of the Managers to fund such items and the deposit under the purchase agreement.

### Financial Forecast

Attached hereto as Exhibit 1 is the ten (10) year Financial Forecast for the Property. There can be no assurance the Property will perform at the levels assumed in the Projections. It is likely that actual results will vary from the amount shown in the projections.

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

### PROJECTED RETURNS AT THE PROPERTY LEVEL

The following are the projected Property returns on Invested Capital on a leveraged basis, based on the assumptions set forth in the Financial Forecast (as defined below):

Returns on Invested Capital	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	7.34%	9.61%	8.51%	6.56%	5.79%	8.05%	6.27%	7.77%	6.83%	7.75%

*\* Year 1 returns are indicated on an unlevered basis, as the Initial Mortgage is procured in Year 2*

The Financial Forecast for the Property projects an average annual leveraged return over 10 years from net cash flow of **7.45%**.

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

Such projections do not include a hypothetical sale of the Property at the end of the ten (10) year forecast period and therefore do not reflect any potential appreciate or depreciation in the value of the Property or related disposition costs.

The Financial Forecast is provided only for the purpose of illustrating how the Property might perform provided all the assumptions are realized. There is no assurance that the assumptions

utilized in the Financial Forecasts are accurate and it is highly likely that the actual results will vary greatly (better or worse) from the projections.

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

## Mortgage Financing

The Financial Forecast includes a projected loan financing during the second year of operations in the amount of \$8,500,000, based on an estimated loan to value ratio (based on the Purchase Price) of 62.0% (the “**Initial Loan**”). The Financial Forecast assumes that such loan proceeds will be used to pay the loan closing costs, fund major outstanding capital expenditure items, and reduce Invested Capital.

The projected terms of the Initial Loan are anticipated to be as follows:

Loan Amount:	\$8,500,000
Loan to Value Ratio:	62.0%
Interest Rate:	5.561%
Interest Only Period:	24 Months
Annual Payments (Yrs 1-2):	Interest payments of \$472,685
Annual Payments (Yrs 3-5):	Amortized payments of \$583,055
Term:	5 Years
Closing Costs (Incl. CapEx):	\$584,906
Projected Use of Net Loan Proceeds:	Net loan proceeds are projected to fund major outstanding capital expenditures (consisting primarily of necessary roof repair) in a projected amount of \$449,906, in addition to estimated mortgage costs of \$135,000, and reducing Invested Capital.

The Financial Forecast also includes a projected loan refinancing during the seventh year of operations in the amount of \$8,711,440. This figure is based on an estimated loan to value ratio of 65.0%, applied to the Property’s projected value in Year Seven of the Financial Forecast, determined by applying an 8.00% capitalization rate to the projected Year Seven net operating income of \$1,072,177. The Financial Forecast assumes that such loan proceeds will be used to pay the outstanding balance of the Initial Loan, pay the closing costs associated with the refinancing, and to reduce Invested Capital.

The projected terms of the Refinance Loan are anticipated to be as follows:

Loan Amount:	\$8,711,440
Loan to Value Ratio:	65.00%
Interest Rate:	5.50%
Annual Payments:	Amortized payments of \$593,551
Term:	10 Years
Closing Costs:	\$130,672
Projected Use of Net Loan Proceeds:	Net loan proceeds are projected to pay the outstanding balance of the Initial Loan, fund estimated mortgage costs of \$130,672, and reduce invested capital by \$440,195.

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

**No Guaranty as to the Mortgage Financings**

There is no guaranty as to the ability to obtain the Initial Loan and/or the Refinance Loan as projected in the Financial Forecast and any change in the loan amount and/or terms for such loan could have a material impact on the distributions to be made to Investors, either positively or negatively. As of the date of this Supplement, the Sponsor has not received a loan commitment from a lender for the Initial Loan and the Sponsor is currently evaluating indications of interest; however, there is no guarantee that such financing will be obtained on acceptable terms or at all. Moreover, the Initial Loan, depending on market conditions and in the Managers sole discretion, could be a higher or lower loan amount which would impact the amount of equity and Invested Capital required and either negatively or positively affect Investor returns.

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

The Financial Forecast includes an annual capital reserve of \$31,075 (\$0.31 per square foot) throughout the ten-year analysis period; however, actual expenditures may exceed such amounts. In addition, the Financial Forecast projects annual reserves for tenant improvements in the amount of \$36,808 (\$0.40 per square foot) and average reserves for leasing commissions of \$47,352 (\$0.49 per square foot) throughout the ten-year analysis period. The aggregate average amount of such annual reserves is approximately \$115,236. Such reserves are projected to be funded from the operating income of the Property; however, there is no guarantee that sufficient operating income will be available for such purposes, and additional capital contributions or financing may be required.

**Working Capital**

The Financial Forecast includes an initial working capital reserve of \$137,000 to be funded from Invested Capital. It is anticipated that such working capital reserve will be used to pay for any additional costs for the first year planned capital expenses or other unbudgeted operating expenses, capital improvements, tenant improvements and other leasing costs; however, there is no guarantee that such reserve will be sufficient for such purposes.

**Management and Leasing of the Property**

The Property will be managed by Prodigy Real Estate Group, Inc.. The management fee is 3.00% of total revenue collected. In addition, Time Equities, Inc., an affiliate of the Manager, will provide asset management services for a fee equal to 1.50% of total revenue collections.

**Property Condition Report**

A Property Condition Report (“PCR”) for the Property was completed by NV5 Global, Inc. (“NV5”) in February 2026. In the PCR, NV5 indicated that the Property was in fair overall condition as of the date of such report; however, such conclusion is subject to the assumptions, limitations, and scope of work set forth herein.

The PCR included a 10-year replacement reserve totaling \$647,050 (on an uninflated basis). Such improvements may be funded from a combination of the sources as set forth on the following page.

### **POTENTIAL FUNDING SOURCES OF FUNDS FOR CAPITAL IMPROVEMENTS**

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

### **Environmental Condition**

A Phase I Environmental Site Assessment (“**Phase I**”) was conducted by Sustainable Development, Inc. (“**Sustainable Development**”) in February 2026. The Phase I concluded that no further investigation of the Property’s subsurface was necessary.

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

This investment involves certain risks and is suitable only for persons of substantial financial means who have no need for liquidity in such investment and who are able to afford the risk of the investment. Reference in this special Risk Section to the terms: (i) “**Company**” shall mean the Company or Co-Owner in which an Investor will become a Member or the sole Member as to those Investors who want to use their investment to undertake a Section 1031 or Section 1033 like-kind exchange; (ii) “**Member**” or “**Members**” shall mean the Member(s) in a Company or a Co-Owner; (iii) “**Membership Interests**” shall mean the Membership Interests to be acquired by an Investor in a Company, which may include a sole membership interest for those Investors looking to use this Property to complete a Section 1031 or Section 1033 like-kind exchange; (iv) “**Rolled Up Entity**” shall mean the limited liability company to which the Mosaic Crossing TIC is ultimately rolled up into as the owner of the Property, if such roll-up occurs; and (v) any reference to the Mosaic Crossing TIC or the Co-Owners shall mean the Rolled Up Entity after the roll-up of the Mosaic Crossing TIC into the Rolled Up 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 Supplement, the actual results of the Property can be expected to be different than those projected, and the differences may be material and adverse. Potential

Investors should consider the projections considering the underlying assumptions to reach their own conclusions as to the reasonableness of those assumptions and to evaluate the projections on the basis of that analysis. Neither the Managers, the Co-Owners, nor their attorneys or accountants make any representation or warranty as to the accuracy or completeness of the projections in the Financial Forecast or their underlying assumptions. **DUE TO THE LASTING IMPACT OF COVID-19 AND/OR A DETERIORATION IN ECONOMIC CONDITIONS, DEMAND COULD BE GREATLY REDUCED AND PROJECTED RETURNS COULD BE NEGATIVELY IMPACTED CAUSING A LOSS OF INVESTED CAPITAL.**

- 2) **Projected Cash Flow.** Any projected cash flow or forward-looking statements included in this Supplement and all other materials or documents supplied by the Managers should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Supplement. The assumptions and facts upon which such projections are based are subject to variations that may arise as future events occur. The anticipated cash flows and returns described herein are based upon assumptions made by the Managers regarding future events. There is no assurance that actual events will correspond with these assumptions. This Supplement contains forward-looking statements that involve risks and uncertainties. The Property's actual results may differ significantly from the results anticipated or discussed in the forward-looking statements. Prospective Investors are advised to consult with their tax, financial and business advisors concerning the validity and reasonableness of any assumptions. Neither the Managers nor any other person or entity makes any representation or warranty as to the future profitability of the Mosaic Crossing TIC and/or any Investor's investment in the Company.
- 3) **Mortgage Risk.**  
The Financial Forecast includes a permanent mortgage loan which is projected to take place in Year Two of the Property's operations. The interest rate for the Initial Loan is estimated at 5.561% per annum. The actual rate has not yet been fixed and may be higher or lower than this estimated interest rate. The debt service payments are projected to consist of interest-only payments for the first two years of the loan term, followed by three years of amortized payments. Such annual debt payments are estimated to be \$472,685 and \$583,055, respectively. There is no guaranty as to the amount and terms of such Permanent. Any change in the actual valuation of the Property, the loan amount, interest rate, amortization schedule or other payment terms from those used in the Financial Forecast will have an effect on the net cash flow, after debt service, either positively or negatively. Negative impacts could reduce projected returns and cause a loss of Invested Capital.
- 4) **Risk as to Capital Improvements and Repairs.**  
The PCR estimated repairs or improvements that would be required for the Property over a 10-year period in the amount of \$647,050. The cost of repairs estimated in the Financial Forecast exceed the estimate presented in the PCR, primarily due to roof replacement deemed necessary by the Sponsor.

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

- 5) **Risks Regarding Not Funding a Capital Call.** In the event that net cash flow, and/or reserves, are unavailable or insufficient to adequately cover capital requirements, leasing costs, and/or other unbudgeted operating expenses a capital call may be requested by the Managers to the Members to fund any such deficiency, on a pro rata basis. In the event a member of any Co-Owner with multiple members and/or members of the Rolled Up Entity fails to contribute their pro rata share of any such required capital call such non-contributing member is subject to the dilution of their membership percentage interest equal to 150% of the amount such non-contributing member failed to contribute. In the event a Tenant-in-Common Owner fails to fund a capital call, please see subsection titled “**Additional Funds**”. in the Section titled “**Tenants in Common Agreement**”.
- 6) **Risk as to Cash Sweep if the Projected Financing is a CMBS Loan.** To the extent any mortgage loan is a CMBS (commercial mortgage back securities) Loan, then there is a risk that if the Property does not generate, over a trailing six month or one year period, the required minimum debt service coverage ratio, stipulated in the loan agreement (generally between 1.10x to 1.50x, but could be higher) (“**Minimum DSCR**”), then balance of the net operating income, if any, after payment of monthly debt service, reserves and operating expenses, as set forth in the budget for the Property approved by the lender, shall be retained in a cash management account under the exclusive control of the lender and its servicer until the Mosaic Crossing TIC can subsequently achieves the Minimum DSCR for the stipulated trailing period in the loan agreement. If this occurs, then despite the fact that there may be net operating income for the Property, after payment of debt service, reserves and operating expenses, the Mosaic Crossing TIC will not be able to make any distributions to Investors. Also, the amount of this cash reserve held by the Lender will be a larger amount to the extent the Minimum DSCR is higher. Debt service coverage ratio is generally defined as the ratio calculated as of the last day of the calendar month immediately preceding the applicable date of determination, the quotient obtained by dividing (1) the net cash flow by (2) the aggregate actual debt service (excluding reserve funds) projected over either a six (6) or twelve (12) month period subsequent to the date of calculation. It is uncertain at this time as to whether the Initial Loan will be a CMBS Loan.
- 7) **Risk as to Lease Rollovers.** Within the next ten (10) years, the term of 100% of the existing leases come to an end and there is no guarantee that any such lease terms will be renewed or otherwise extended. The Financial Forecast assumes that upon expiration of the current leases, tenants will either renew their lease or the vacant space will be leased at an assumed market rate of between \$10.00 and \$23.00 per square foot (net); however, actual market rental rates may differ materially from such assumptions. If the Property is vacant for longer periods than projected and/or future rental rates are less than projected, the actual returns could be materially less than projected and cause a loss of Invested Capital.

- 8) **Risk as to Occupancy Levels.** In the Financial Forecast it is assumed that the average economic occupancy level, during the 10-year forecast period, will be 92.0% throughout the analysis period. 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 decline, and this could materially reduce the return paid to Investors on their Invested Capital.

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

- 9) **Leasing Risks.** There are many leasing risks to consider in operating the Property which could adversely affect the performance of the Property. Some of these leasing risks, include but are not limited to, tenants may not renew their leases as anticipated, tenants may experience economic difficulties, which may necessitate a reduction or deferral in rent or a reduction of their space to retain any such tenant, a tenant may file for bankruptcy and reject their lease, it may take long to release space or to lease vacant space than projected and the Mosaic Crossing TIC may have to give more tenant concessions to attract or retain tenants than estimated, including those for free rent periods and tenant allowances for improvements. All these leasing risks could ultimately materially affect the cash available for distribution to Investors. In addition, due to the lasting impacts of COVID-19, demand for space in the future could be materially reduced. In such a case it may be impossible to maintain or grow occupancy rates and returns to investors would be materially lower than set forth in the Financial Forecast.
- 10) **Difficulty Attracting New Tenants.** There can be no assurance that the Company will be able to maintain the occupancy level as projected in the Financial Forecast. In addition, it may be necessary to make substantial concessions, in terms of rent and lease incentives, and to construct tenant improvements to attract new tenants at the Property. If these expenditures and concessions are necessary to maintain or achieve lease-up at the Property and such expenditures exceed projections and/or the amount of reserves for the Property, (including loan proceeds to the extent funded pursuant to loan for the Property) then, this could affect the distributions to be made to the Investors.
- 11) **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 Mosaic Crossing 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 Mosaic Crossing TIC, amenities within leased space, the quality of the surrounding area and a variety of other factors. The success of the Mosaic Crossing TIC will depend to a large degree upon its ability to compete with other similar industrial properties, which in turn depends upon its ability to be competitive as to the foregoing factors. The failure of the Mosaic Crossing TIC to establish and maintain a favorable market position could have a material adverse effect on its profitability.

- 12) **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.
- 13) **Risk as to Economic Conditions.** Period of economic slowdown or recession, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, could result in a general decline in real estate values, which could adversely affect the operation, financial position, cash flow and/or ability to satisfy debt obligations and to make distributions to the Investors. Inflationary pressures could increase operating expenses above expected levels, thereby decreasing profitability to the extent rents cannot be raised by corresponding amounts.
- 14) **Uninsured Losses.** The Mosaic Crossing TIC will try to maintain what it believes to be 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 or that all risks will be covered. 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 in the future. If a loss occurs that is partially or completely uninsured, the Mosaic Crossing TIC may lose all or part of its investment. The Mosaic Crossing 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 beyond their investment in the Company, except to the extent otherwise required by applicable law.
- 15) **Risk as to Management of the Property.** Prior to the roll up of the Mosaic Crossing TIC, the Investors who become the sole member of a Company, shall have certain approval rights as to the management and operation of the Property as outlined in this Memorandum (for example, approval rights as to the sale and/or financing for the Property, approval rights as to any Major Lease (other than a Preapproved Major Lease) and approval rights as to the replacement of the managing agent and/or asset manager for the Property). Notwithstanding the above, any Investor who becomes a member for a multi-member company, who is not purchasing their investment to implement a 1031 tax free exchange, does not have the same approval rights as a sole member of a Company, who is purchasing their investment to take advantage of tax deferral pursuant to Code Section 1031 or 1033 do not have the same approval rights as a sole member of a Co-Owner who is purchasing their investment to implement a 1031 or 1033 transaction. Such additional approval rights are granted to a 1031 or 1033 investor prior to the roll up of the Mosaic Crossing TIC since

they may be required to insure that their purchase would qualify as an interest in the real property as opposed to a purchase of a partnership or membership interest. Once the Property is rolled up into the Rolled Up Entity, the sole member of a Co-Owner will no longer have such approval rights. After the roll up of the Mosaic Crossing TIC, the Managers shall have board discretion over the operation and management of the Property and the Members of the Rolled Up Entity, who were previously the sole Member of a Co-Owner, will no longer be able to participate in the conduct and/or business operations of such Rolled Up Entity and/or the Property in the same manner as they did prior to the rollup.

- 16) **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 Mosaic Crossing TIC and their respective companies and/or Members comprising the Mosaic Crossing TIC. These conflicts of interest include, but are not limited to, the following:

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

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

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

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

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

If a bridge loan is needed, the likely lender for the bridge loan will be Time Equities Associates LLC, which is owned by Francis Greenburger. To the extent there is not sufficient net operating income to pay debt service, or the refinancing delays the payoff of the Bridge Loan beyond its maturity date, there could be a conflict between Francis Greenburger’s (or TEI LLC’s) position as one of the Managers

and his position as a lender to the Co-Owners. Also, potential conflicts of interest could arise if Time Equities Associates LLC decides to enforce the Bridge Loan due to the default of the Co-Owners as the borrower under the loan. Such enforcement proceedings could include the foreclosure of the first mortgage as collateral for this Loan.

**d. Partnership Representative**

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

**e. Lack of Separate Representation**

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

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

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

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

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

After the roll up of the Property, the Managers are entitled to receive a certain portion of net proceeds from the sale of the Property as will be detailed in the operating agreement for the Rolled Up Entity. A conflict of interest could arise

because it may be beneficial for the Managers to sell the Property at a time when it may be in the best interest of the Investors to hold onto the Property or alternatively, because it may be beneficial for the Managers to delay a sale of the Property, when a sale would be more advantageous to the Investors. For example, the Managers might not wish to receive taxable income in a particular year for reasons unrelated to the Rolled Up Entity. The Managers may have an interest in retaining, instead of selling, the Property in order to continue the distributions and any other fees payable to the Managers and/or their Affiliates. Accordingly, the Managers may be subject to various conflicts of interest with respect to the potential sale of the Property that may have different consequences or effect on the Managers and the Members of the Rolled Up Entity.

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

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

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

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

- (i) The Managers and/or any guarantor of any loans shall not be obligated to take any action which would result in a Manager or guarantor becoming personally liable for any liabilities of the Mosaic Crossing TIC or the Rolled Up Entity arising under any loan documents, notwithstanding that the failure to take any such action might result in the total or partial loss of the Mosaic Crossing TIC's or the Rolled Up Entity's interest in some or all of its assets; or
- (ii) The Managers and/or any guarantor of any such loans may take any action which would result in any such guarantor avoiding becoming personally liable for any liabilities of the Mosaic Crossing TIC's or the Rolled Up Entity arising under any such loan documents, notwithstanding that the taking of any such action might result in the total or partial loss of the Mosaic Crossing TIC's or Rolled Up Entity's interest in some or all of its assets. Such actions may include transferring the Property to a lender in lieu of foreclosure.

**i. Resolutions of Conflicts of Interest**

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

- 17) **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. The Mosaic Crossing TIC and the Company cannot guaranty that hazardous substances and/or wastes will not be discovered on the Property during the Mosaic Crossing TIC's or the Rolled Up Entity's ownership or after sale to a third party. If such hazardous substances or wastes are discovered on the Property, the Mosaic Crossing TIC may be required to remove those hazardous substances and clean up the Property, and the Mosaic Crossing TIC, may incur full recourse liability for the entire cost of any such removal and cleanup. The Mosaic Crossing TIC cannot guaranty that the cost of any such removal and cleanup would not exceed the value of the Property or that the Mosaic Crossing TIC could recoup any such costs from a third party. The Mosaic Crossing TIC may also be liable to tenants and other users of the Property and to owners, tenants or users of neighboring properties,

and it may find it difficult or impossible to sell the Property prior to the completion of such remediation or clean up. Obtaining financing for any such Property prior to the completion of such clean-up or remediation may be more difficult or costly. Without undertaking any further due diligence and except as otherwise disclosed in this Memorandum and/or environmental reports, the Managers are not aware of and have not received any written notice from any governmental authority pertaining to any required cleanup or remediation of hazardous substances and wastes at the Property, but there is no guaranty of such result. The Financial Forecasts for the Property does not contain any expenses for any such environmental cleanup of hazardous substances and wastes. To the extent this would be required, such additional costs could affect or reduce distributions to Investors.

- 18) **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.
- 19) **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 Mosaic Crossing TIC. While the Managers will attempt to obtain information with respect to compliance with the ADA, there can be no assurance that ADA violations do not or will not exist at the Property. If other violations do exist, there can be no assurance that there will be funds to pay for any necessary repairs.

- 20) **No Market for Membership Interests.** It is not anticipated that any public market will exist for the Membership Interests, and the operating agreement will impose certain restrictions on the transfer of Membership Interests (other than to an immediate family member, an entity controlled by a Member, or the beneficiary of the estate of Member, upon the death of a Member) which may have the effect of ensuring that a market will not develop. Therefore, holders of the Membership Interests may not be able to sell their Membership Interests should a need for personal funds arise, and the price received in any sale of Membership Interests may be less than the value of the Membership Interests sold. In addition to the above risks, an Investor must bear the economic risk of their investment for an unspecified period of time.
- 21) **Limited Assignability.** Each subscriber will be required to represent that the purchase of their Membership Interests in a Co-Owner will be for investment purposes only and not with a view towards the resale or distribution thereof. Membership Interests may not be assigned without the consent of the Managers, and without compliance with the right of first refusal to be contained in the operating agreement for the Co-Owners and the Rolled Up Entity. Furthermore, an Investor may not pledge, or grant a security interest in their Membership Interests. Under the Operating Agreement, an assignment of Membership Interests shall not be permitted if that assignment (i) would cause a Co-Owner or the Rolled Up Entity to terminate for Federal income tax purposes; (ii) would violate certain restrictions on assignment now or hereafter imposed under the Operating Agreement to preserve the status the Co-Owners or the Rolled Up Entity as a partnership for Federal income tax purposes, or (iii) would violate Federal or state securities laws. No assignee may be admitted as a substituted Member without the consent of the Managers. In addition, a Member shall have no right to withdraw any part of their capital contributions to the Co-Owners or the Rolled Up Entity. There are likely to be substantial adverse Federal income tax consequences in connection with the assignment of Membership Interests, and holders of the Membership Interests are advised to consult with their tax advisors prior to any such assignment. Also, in certain states, assignees of Membership Interests may be required to meet certain suitability requirements.
- 22) **Liability of Members/Risk as to Return of Distributions.** In general, Members of the Co-Owners or the Rolled Up Entity may be liable for the return of a distribution to the extent that the Member knew at the time of the distribution that after such distribution, the remaining assets of the Co-Owners or the Rolled Up Entity would be insufficient to pay their outstanding liabilities of the Co-Owners (exclusive of liabilities to Members on account of their limited liability company interests and liabilities for which the recourse of creditors is limited to specified property of a limited liability company). Otherwise, Members are generally not liable for the debts and obligations of the Co-Owners or the Rolled Up Entity beyond the amount of the capital contributions they have made or are required to make under the operating agreement.
- 23) **Limitation of Liability/Indemnification of the Managers.** The Managers and its attorneys, agents and employees may not be liable to the Co-Owners, the Rolled Up Entity or their Members for errors of judgment or other acts or omissions not constituting fraud, gross negligence, or willful misconduct as a result of certain indemnification provisions in

the operating agreement. A successful claim for such indemnification would deplete the Mosaic Crossing TIC's and/or the Rolled Up Entity's assets by the amount paid.

- 24) **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.
- 25) **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.
- 26) **Private Offering Exemption – Compliance with Requirements.** The Membership Interests are being offered to, and will be sold to, Investors in reliance upon a private offering exemption from registration provided in the Securities Act. If the Co-Owners should fail to comply with the requirements of such exemption, the Members would have the right to rescind their purchase of their Membership Interests if they so desired. It is possible that one or more Members seeking rescission would succeed. This might also occur under applicable state securities or “**blue sky**” laws and regulations in states where the Membership Interests will be offered without registration or qualification pursuant to a private offering or other exemption. If a number of Members were successful in seeking rescission, the Co-Owners and the Managers would face severe financial demands that would adversely affect the Co-Owners as a whole and, thus, the investment in the Membership Interests by the remaining Members.
- 27) **Private Offering Exemption – Limited Information.** Because the offering of the Membership Interests is a nonpublic offering, certain information that would be required if the Offering were not so limited has not been included in this Private Investment Memorandum, including, but not limited to, financial statements and prior performance tables. Thus, Investors will not have this information available to review when deciding whether to invest in Membership Interests.
- 28) **General Tax Risks.** There are substantial risks associated with the federal income tax aspects of an investment in the Mosaic Crossing TIC. In addition to continuing IRS reexamination of the tax treatment of partnerships, the income tax consequences of an investment in the Mosaic Crossing TIC are complex, and recent tax legislation has made substantial revisions to the Code. Many of these changes, including changes in the taxation of limited liability companies and their members, affect the tax benefits generally associated with an investment in a limited liability company. Because the tax aspects of this offering are complex, and certain of the tax consequences may differ depending on individual tax circumstances, each Investor is urged to consult with and rely on his or her

own tax advisor concerning this offering's tax aspect and his or her individual situation. **No representation or warranty of any kind is made with respect to the IRS's acceptance of the treatment of any item by the Company or by an Investor.**

- 29) **Changes in Tax Laws.** The discussions of the federal income tax aspects of this offering are based on current law, including the Internal Revenue Code of 1986, as amended, the regulations issued thereunder, certain administrative interpretations thereof and court decisions. Consequently, future events (including those arising from expiration of current tax laws, legislative and administrative proposals that could occur and/or are or in the future may be under consideration) that modify or otherwise affect those provisions may result in treatment for federal income tax purposes of the Co-Owners and the Members that are materially and adversely different from that described in this Memorandum, both for taxable years arising before and after such events. Neither the Co-Owners nor the Managers can guaranty that future legislation and administrative interpretations will not be retroactive in effect.

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

**GENERAL METHODOLOGY USED FOR FINANCIAL FORECAST  
OF OPERATION OF THE PROPERTY**

**FOR THE PERIOD FROM  
APRIL 1, 2026, THROUGH MARCH 31, 2036**

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

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

**Acquisition:** The Property was purchased for a total first year project cost of \$14,191,000. The Purchase Price is \$13,700,000. The closing date was April 10, 2026.

**Invested Capital:** The total capital invested is \$14,191,000 and was funded at closing.

**Year 2 Financing:** The Financial Forecast includes a projected loan financing during the second year of operations in the amount of \$8,500,000, based on an estimated loan to value ratio (based on the Purchase Price) of 62.0%. The Financial Forecast assumes that such loan proceeds will be used to pay the loan closing costs, capital repairs and reduce Invested Capital.

**Year 7 Financing:** The Financial Forecast also includes a projected loan refinancing during the seventh year of operations in the amount of \$8,711,440. This figure is based on an estimated loan to value ratio of 65.0%, applied to the Property's projected value in Year Seven of the Financial Forecast, determined by applying an 8.00% capitalization rate to the projected Year Seven net operating income of \$1,072,177. The Financial Forecast assumes that such loan proceeds will be used to pay off the Initial Loan, pay the closing costs associated with the refinancing and reduce Invested Capital.

**Income:** The Property is currently approximately 98.6% occupied by 12 tenants. The rent from the tenants are projected in the first year of operation to generate a net operating income, before reserves, of approximately \$1,158,073 in the first year of operation.

**Real Estate Taxes:** The Property is currently assessed at \$6,240,048, resulting in an annual real estate tax bill of approximately \$183,541. The Property will be purchased for \$13,700,000 which is substantially more than

the assessed value. Ryan LLC, a property tax consultant, was retained to provide a Property Tax Due Diligence Acquisition Report (the “**Ryan Report**”). In such report, Ryan LLC projects a best case, most probable case, and worst-case scenario for future real estate taxes. The Financial Forecast utilizes the most probable case produced by Ryan LLC. The most probable case results in 2026 real estate taxes for the Property of \$202,736. The Ryan Report projects that the Property will be reassessed at \$3,599,640 in 2027, resulting in a projected annual real estate tax bill of \$285,441. The Property’s actual tax liability could be higher than Ryan LLC projects in its “Most Likely” case scenario.

**Occupancy:**

The going-in physical occupancy rate after closing is approximately 98.6%.

**Management and  
Asset Management  
Fees:**

The Property is expected to be managed by Prodigy Real Estate Group. The management fee is 3.00% of total revenue collections. In addition, Time Equities, Inc., an affiliate of the Manager, will provide asset management services for a fee equal to 1.50% of total revenue collections.

**Market Leasing  
Assumptions:**

New leases are projected to be signed at a rent of between \$10.00 and \$23.00 per square foot, trended at 3.00% annual increases throughout the analysis period. Tenants are projected to pay as additional rent; their pro rata share of common area maintenance and operating expenses

# EXHIBIT 1 FINANCIAL FORECAST

TEI Purchase Price	\$13,700,000
TEI Purchase Price: SPSP	\$126,67
Cap Rate: Year 1 Before Reserves	8.45%
Cap Rate: Year 1 After Reserves	7.60%
Closing Costs	491,000
Total Unlevered Equity Plus Closing Costs	14,191,000
Square Feet	100,242
<b>Current Occupancy</b>	<b>98.6%</b>

Year 2 Debt Assumptions: Proposed New	
LTV	62.0%
Balance	8,500,000
Interest	5.561%
Amortization	
Constant	6.86%
Yrs 1-2 (I/O) Annual Debt Service	472,685
Yrs 3-5 (Arm) Annual Debt Service	583,055
Mortgage Costs	1.0%
Mortgage Misc Costs	85,000
Year 2 CapEx	449,984
Total Levered Equity + Y2 CapEx	6,275,906

Closing Costs	
Acquisition Fee	2.0%
Legal Fees	274,000
Due Diligence Costs	60,000
Title Insurance	20,000
Survey	15,000
Seller Credit	10,000
Initial Working Capital & Reserves	(25,000)
Incremental Lease-Up Costs	17,000
<b>TOTAL</b>	<b>491,000</b>

	SPSF	AVG T/L/C	YR 1 Mar-2027	YR 2 Mar-2028	YR 3 Mar-2029	YR 4 Mar-2030	YR 5 Mar-2031	YR 6 Mar-2032	YR 7 Mar-2033	YR 8 Mar-2034	YR 9 Mar-2035	YR 10 Mar-2036
<b>Average Physical Occupancy</b>		<b>96.8%</b>	98.6%	98.0%	96.7%	97.7%	95.0%	98.6%	94.6%	96.5%	94.9%	97.3%
<b>Average Economical Occupancy</b>		<b>91.8%</b>	93.6%	93.0%	91.7%	92.7%	90.0%	93.6%	89.6%	91.5%	89.9%	92.3%
<b>Operating Income</b>		<b>Yr 1 (PSF)</b>										
Scheduled Base Rent		14.30	1,433,668	1,467,105	1,395,431	1,381,187	1,347,721	1,492,614	1,372,904	1,471,122	1,410,382	1,469,143
Total Expense Recoveries		2.58	259,002	290,684	321,203	336,701	329,511	363,435	351,192	370,284	384,633	405,657
Amortized Guy Marker		0.01	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Green Zone Recycling		0.05	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100
EV Charging Station Income		0.00	0	30,900	63,654	65,776	67,749	69,781	71,875	74,031	76,252	78,540
<b>Total Operating Income</b>		<b>16.95</b>	<b>1,699,270</b>	<b>1,795,289</b>	<b>1,786,888</b>	<b>1,790,264</b>	<b>1,751,581</b>	<b>1,932,430</b>	<b>1,802,571</b>	<b>1,922,037</b>	<b>1,877,867</b>	<b>1,959,940</b>
General Vacancy		0.00	0.0%	0	0	0	0	0	0	0	0	0
Credit Loss		(0.85)	5.0%	(84,964)	(89,764)	(89,344)	(89,513)	(87,579)	(96,622)	(90,129)	(96,102)	(93,893)
Mgmt Fee Variance Income		0.04	4.5%	3,823	4,039	4,020	4,028	3,941	4,348	4,056	4,325	4,425
<b>Effective Gross Income</b>		<b>16.14</b>	<b>1,618,130</b>	<b>1,709,564</b>	<b>1,701,564</b>	<b>1,704,779</b>	<b>1,667,943</b>	<b>1,840,156</b>	<b>1,716,498</b>	<b>1,830,260</b>	<b>1,788,199</b>	<b>1,866,353</b>
EGR Check			0	0	0	1	0	0	0	0	0	0
<b>Reimbursable Expenses</b>												
CAM - Electric		0.27	26,695	27,496	28,321	29,171	30,046	30,947	31,876	32,832	33,817	34,831
CAM - Snow Removal		0.36	35,782	36,855	37,961	39,100	40,273	41,481	42,725	44,007	45,327	46,687
CAM - Landscaping		0.17	16,780	17,283	17,802	18,336	18,886	19,453	20,036	20,637	21,256	21,894
CAM - Lot Sweeping		0.08	8,305	8,554	8,811	9,075	9,347	9,628	9,917	10,214	10,521	10,836
CAM - Lot Repairs		0.06	5,668	5,838	6,014	6,194	6,380	6,571	6,768	6,971	7,180	7,396
CAM - Building Repairs		0.00	385	397	408	421	433	446	460	474	488	502
CAM - Roof Repairs		0.06	6,399	6,591	6,789	6,993	7,202	7,418	7,641	7,870	8,106	8,350
CAM - Lighting Repairs		0.02	1,848	1,903	1,961	2,019	2,080	2,142	2,207	2,273	2,341	2,411
CAM - Signage		0.05	4,848	4,994	5,144	5,298	5,457	5,621	5,789	5,963	6,142	6,326
CAM - General R&M		0.04	4,501	4,636	4,775	4,918	5,066	5,218	5,374	5,535	5,701	5,872
CAM - Fire Protection		0.14	13,938	14,356	14,787	15,231	15,688	16,158	16,643	17,142	17,666	18,186
CAM - Pest Control		0.01	770	793	817	841	867	893	919	947	975	1,005
CAM - Service Contracts		0.07	6,562	6,758	6,961	7,170	7,385	7,607	7,835	8,070	8,312	8,561
CAM - Trash Removal		0.02	1,750	1,803	1,857	1,912	1,970	2,029	2,090	2,152	2,217	2,283
CAM - Common Area Maint.		1.34	134,231	138,257	142,408	146,679	151,080	155,612	160,280	165,087	170,039	175,140
INS - Insurance		0.47	47,000	48,410	49,862	51,358	52,899	54,486	56,120	57,804	59,538	61,324
RET - Property Taxes		1.97	197,359	204,309	211,912	219,788	227,947	236,398	245,151	254,207	263,575	273,256
MF - Management Fee		0.68	68,971	71,812	74,746	77,761	80,863	84,057	87,346	90,731	94,214	97,800
<b>Total Reimbursable Expenses</b>		<b>4.45</b>	<b>446,561</b>	<b>502,788</b>	<b>566,574</b>	<b>581,560</b>	<b>595,312</b>	<b>618,303</b>	<b>629,338</b>	<b>650,832</b>	<b>666,284</b>	<b>687,302</b>
<b>Non Reimbursable Expenses</b>												
NR - TEI Asset Mgmt Fee		0.08	8,496	8,976	8,934	8,951	8,758	9,662	9,013	9,610	9,389	9,800
NR - TEI Travel		0.05	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
<b>Total Non Reimbursable Expenses</b>		<b>0.13</b>	<b>13,496</b>	<b>14,126</b>	<b>14,239</b>	<b>14,415</b>	<b>14,386</b>	<b>15,458</b>	<b>14,983</b>	<b>15,759</b>	<b>15,723</b>	<b>16,324</b>
<b>Total Operating Expenses</b>		<b>4.59</b>	<b>460,057</b>	<b>516,914</b>	<b>580,813</b>	<b>595,975</b>	<b>609,698</b>	<b>633,761</b>	<b>644,321</b>	<b>666,591</b>	<b>682,007</b>	<b>703,626</b>
<b>Net Operating Income</b>		<b>11.55</b>	<b>1,158,073</b>	<b>1,192,650</b>	<b>1,120,751</b>	<b>1,108,804</b>	<b>1,058,245</b>	<b>1,206,395</b>	<b>1,072,177</b>	<b>1,163,669</b>	<b>1,106,192</b>	<b>1,162,727</b>
<b>Cap Rate Before Reserves</b>		<b>8.07%</b>	8.24%	8.48%	7.97%	7.89%	7.53%	8.58%	7.63%	8.28%	7.87%	8.27%
NOI Check			0	1	-3	0	-2	0	0	2	1	1
<b>Leasing &amp; Capital Costs</b>												
Tenant Improvements		3.5%	10-yr avg 0.40	10-yr avg 36,308	37,531	37,290	36,769	37,186	36,083	37,531	35,939	36,677
Leasing Commissions			0.49	47,352	47,669	48,781	46,398	45,924	44,812	49,629	45,649	48,951
Capital Reserves			0.31	31,075	31,075	31,075	31,075	31,075	31,075	31,075	31,075	31,075
<b>Total Leasing &amp; Capital Costs</b>		<b>1.20</b>	<b>115,236</b>	<b>116,275</b>	<b>117,146</b>	<b>114,242</b>	<b>114,185</b>	<b>111,970</b>	<b>118,235</b>	<b>112,663</b>	<b>116,666</b>	<b>114,029</b>
<b>Unlevered Net Cash Flow</b>			<b>1,041,798</b>	<b>1,075,504</b>	<b>1,006,509</b>	<b>994,619</b>	<b>946,275</b>	<b>1,088,160</b>	<b>959,514</b>	<b>1,047,002</b>	<b>992,163</b>	<b>1,045,781</b>
<b>Cap Rate After Reserves</b>		<b>7.25%</b>	7.41%	7.65%	7.16%	7.08%	6.73%	7.74%	6.83%	7.45%	7.06%	7.44%
Debt Service			0	472,685	472,685	583,055	583,055	583,055	593,551	593,551	593,551	593,551
<b>Cash Flow after Debt Service</b>			<b>1,041,798</b>	<b>602,819</b>	<b>533,824</b>	<b>411,564</b>	<b>363,221</b>	<b>505,106</b>	<b>365,963</b>	<b>453,451</b>	<b>398,611</b>	<b>452,230</b>
DSCR				2.52x	2.37x	1.90x	1.82x	2.07x	1.81x	1.96x	1.86x	1.96x
<b>ROE: LEVERED</b>		<b>7.46%</b>	N/A	<b>9.61%</b>	<b>8.51%</b>	<b>6.56%</b>	<b>5.79%</b>	<b>8.05%</b>	<b>6.27%</b>	<b>7.77%</b>	<b>6.83%</b>	<b>7.75%</b>
<b>ROE: UNLEVERED</b>		<b>7.19%</b>	<b>7.34%</b>	<b>7.58%</b>	<b>7.09%</b>	<b>7.01%</b>	<b>6.67%</b>	<b>7.67%</b>	<b>6.76%</b>	<b>7.38%</b>	<b>6.99%</b>	<b>7.37%</b>

Notes:

Initial Working Capital	
Year 1 Working Capital	10% of Purchase Price
	\$137,000
Year 2 Working Capital & Leasing Costs	
Roof Replacement	\$6.90
Misc Repairs	\$23,000
Wall Repairs (Seller Credit Offset)	\$25,000
<b>Total Y2 Working Capital &amp; Reserves</b>	<b>\$49,906</b>

Re finance Assumption: Year 7	
Value	8.0%
LTV	\$13,402,115
Gross Loan Proceeds	65,094
Debt Costs	1.5%
Loan Payoff	\$130,672
Net Loan Proceeds	\$8,405,517
New Equity	\$5,835,711
Interest	5.50%
Amortization	30
Constant	6.81%
Debt Service	\$93,451