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F I N A N C E

**FNTVS Income eREIT, LLC Annual Report**

**For the Year Ended  
December 31, 2025**

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**FNTVS INCOME EREIT, LLC**  
MANAGEMENT DISCUSSION OF FUND PERFORMANCE (UNAUDITED)  
DECEMBER 31, 2025

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Dear Fellow Shareholders,

We are pleased to present the annual report of the FNTVS Income eREIT, LLC (the “Fund”). During 2025, the real estate market operated amid continued macroeconomic uncertainty and constrained capital markets. While interest rates had begun to decline in the prior year, the anticipated pace of rate cuts slowed, contributing to a more muted valuation environment for private real estate assets. The Fund returned 1.33% in 2025, its fifth year of operations. During the same period, the S&P 500<sup>®</sup> Total Return Index, a bellwether for the overall U.S. stock market, returned 17.88%, the Bloomberg U.S. Aggregate Bond Index, a broad-based flagship benchmark that measures the investment grade U.S. dollar-denominated, fixed-rate taxable bond market, returned 7.30%, and the FTSE Nareit Composite REITs Index, a free-float adjusted, market capitalization-weighted index of U.S. Equity and Mortgage REITs, returned 2.80%. The Fund’s performance relative to public market benchmarks in 2025 was primarily impacted by higher-for-longer interest rates, which limited transaction activity and constrained valuation recovery in private real estate markets. While public equity and bond indices benefited from market-driven repricing, private real estate valuations remained more directly influenced by financing costs and observable transaction activity, resulting in more muted performance during the year.

Within real estate, performance continues to diverge between property sectors. The Fund remained primarily exposed to residential and industrial assets, sectors where we believe demand fundamentals remained relatively durable. Single family rent continued to grow in 2025, while multifamily rent experienced modest softening. Per Yardi Matrix’s December 2025 report, multifamily asking rents were down 0.3% year-over-year while single family rents were up 1.8% year-over-year. The Green Street Commercial Property Price Index<sup>®</sup>, which represents a measure of pricing for a broad spectrum of institutional quality properties, increased 2.3% in 2025. This reflects modest valuation appreciation across institutional-quality real estate. This performance occurred amid a higher-for-longer interest rate environment, where borrowing costs remained elevated relative to historical norms, limiting transaction activity and moderating price recovery across most real estate sectors.

The primary factors influencing the Fund’s 2025 performance were stable operating fundamentals, including occupancy levels and rental performance, which helped offset the absence of broad valuation expansion. The Fund also benefited from diversification across property types and geographic markets despite the ongoing headwinds created by sustained higher borrowing costs. While interest rates remained elevated relative to historical lows, disciplined asset management and portfolio diversification contributed to maintaining performance in a constrained capital environment.

This year also saw the introduction of the largest tariff regime in roughly 100 years. And while we began the year cautiously optimistic that cooling inflation and a modestly slowing economy would bring with it lower rates and eventually higher values for real estate, we instead ended the first quarter forced to face the reality of “liberation day”. Although both the constitutionality and near term impacts of the new administration’s tariff policies remain hotly debated, what is hard to argue is that the uncertainty around the future and volatility in the economic reporting data resulted in both the private sector and the Fed moving to a “wait and see” approach, with many corporations pulling back dramatically on any large, long-term decisions while the Fed decided to pause its rate cutting cycle for the better part of the year. One notable exception was continued investment in data- and technology-related infrastructure, which supported demand for certain real estate assets, particularly industrial properties and housing in markets with strong employment growth. While the Fund does not invest in technology companies, these trends can indirectly influence real estate fundamentals through job creation, space demand, and long-term economic activity.

For real estate investors, this translated into a year of consolidation rather than revaluation or recovery with property prices, along with those of most private assets, moving largely sideways. This stagnation was driven less so because fundamentals deteriorated (although the lagging absorption of new construction supply did cause rents growth to slow in many markets) and instead because financing conditions and overall capital markets remained highly restrictive, with very little activity on either the buy or sell side occurring as most well capitalized owners opted to continue to ride out the “higher for longer” storm.

Looking ahead to 2026, we believe the Fund is positioned to navigate a range of market outcomes, with a portfolio constructed to balance long-term appreciation potential against near-term macro uncertainty. Future performance will continue to depend on interest rate policy, capital market conditions, and property-level execution. Specifically, we believe that:

**Interest rates are likely (yes, still) to continue to come down**

Though we were thrown off by roughly twelve months due to the surprise introduction of tariffs, ultimately, nearly every economic indicator that one can reference points to the same consistent conclusion...the economy is slowing, the US consumer (especially the middle class) is getting increasingly stretched thin and inflation (but for the short term impact of tariff-related pricing changes) should and would be continuing to slow. The net-net of all of this continues to point to lower overall rates and a more normalized long-term risk-free rate of return, which over time will manifest in higher asset values.

**Prices for most real estate are still at relative lows, while the stock market prices remain relatively high**

We noted last year that prices for the stock market were, by most all standard measures, not just relatively high but also at levels that typically had preceded significant downturns. On the other hand, prices for certain segments of the real estate market were not just relatively low, but at levels that, on some measures, were comparable to periods of significant historical stress, including the 2008 Great Financial Collapse (after which real estate saw a nearly decade-long positive run).

The conclusion? Buy low and sell high. From our perspective as real estate investors, current conditions suggest that capital allocated to depressed real asset markets may offer more attractive forward-looking risk-adjusted returns than many fully valued public markets.

What has changed over the past twelve months? Little, except that both may be more true today than when we said it last year.

Of course, there is a balancing act when taking into consideration that AI will ultimately be such a large driver of economic growth that it may very likely overshadow other more traditional factors (even normal business cycles). However, all that said, we, as long-term disciples in ways of value investing, continue to believe that those who are diversified into alternative asset classes such as real estate are likely to be better protected against the more extreme black swan type downsides.

Stepping into 2026, we believe we are investing through a genuinely unique inflection point—one where secular technological acceleration is colliding with a more traditional late-cycle macroeconomic environment and even more unpredictable than normal public policy.

In such an environment, we see even less advantage than usual in trying to predict headlines over the next several quarters; instead we feel strongly that success for investors will come from the somewhat juxtaposed combination of staying disciplined while maintaining flexibility, owning durable assets at sensible prices while also being positioned to aggressively go on the offensive when either capital loosens and confidence returns, or unexpected breakthroughs create temporary pockets of extreme growth.

And that's how we're approaching the year across the entirety of the platform: continuing to build long-term exposure to the compounding upside of AI through other strategies, while steadily deploying into income and real estate opportunities where valuations remain depressed and underwriting remains conservative. While it may mean certain funds lag the broader stock market for periods of time, we believe firmly that it positions investors against larger downside risk over the longer term.

As always, we want to thank you for your continued trust in Fontavis Finance. We will, as before, remain committed to our investor-first principles, including transparently sharing our thinking (even when it may be contrarian or not actively in our own self interests), and most importantly, to our longer-term mission of building a platform that empowers individuals.

We look forward to navigating the uncharted territory that is 2026 together.

Onward,

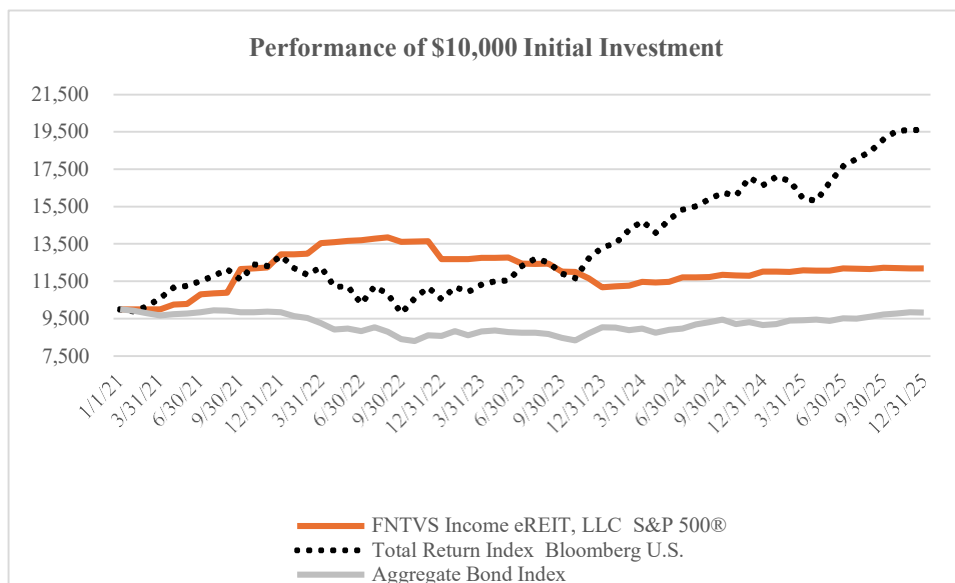


Ben Miller  
Chief Executive Officer  
FNTVS Advisors, LLC

**FNTVS INCOME EREIT, LLC**  
**PERFORMANCE CHART AND ANALYSIS (UNAUDITED)**  
**DECEMBER 31, 2025**

**Performance Chart and Analysis**

The following reflects the change in the value of a hypothetical \$10,000 investment, including reinvested dividends and distributions, in the FNTVS Income eREIT, LLC compared with the performance of the benchmarks, S&P 500® Total Return Index and the Bloomberg U.S. Aggregate Bond Index, for the period January 1, 2021\* through December 31, 2025.



Average Annual Total Returns	One Year	Five Year*	Since Inception 01/01/21
FNTVS Income eREIT, LLC	1.33%	4.03%	4.03%
S&P 500® Total Return Index	17.88%	14.43%	14.43%
Bloomberg U.S. Aggregate Bond Index	7.30%	-0.36%	-0.36%

\*FNTVS Income eREIT, LLC commenced investment operations on January 1, 2021.

The S&P 500® Total Return Index is an unmanaged market capitalization-weighted index which is comprised of 500 of the largest U.S. domiciled companies and includes the reinvestment of all dividends. Investors cannot invest directly in an index or benchmark.

The Bloomberg U.S. Aggregate Bond Index is an unmanaged index which represents the U.S. investment-grade fixed-rate bond market (including government and corporate securities, mortgage pass-through securities and asset-backed securities). Investors cannot invest directly in an index or benchmark.

The performance data quoted is historical. Past performance is no guarantee of future results. The performance table and graph do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. The investment return and principal value of an investment will fluctuate. An investor's shares, when repurchased, may be worth more or less than the original cost. Total returns are calculated using closing Net Asset Value as of December 31, 2025 and are calculated assuming reinvestment of all dividends and distributions.

The Fund's distribution policy is to declare and make distributions on a quarterly basis, or more or less frequently as determined by the Board, in arrears. A portion of the distribution may include a return of capital. Shareholders should not assume that the source of a distribution from the Fund is net profit. Although return of capital distributions are not currently taxable, such distributions will have the effect of lowering a shareholder's tax basis in the shares which will result in a higher tax liability when the shares are repurchased, even if they have not increased in value, or, in fact, have lost value. Distributions are not guaranteed.

The Fund's most recent annualized distribution rate as of December 31, 2025, was 0.21%<sup>(1)</sup>. All distributions made during the year ended December 31, 2025 were deemed to be a return of capital.

<sup>(1)</sup> Distribution rate is based on an annualization of the distributions per share for the 31 days of December 2025.

**FNTVS INCOME EREIT, LLC**  
**SCHEDULE OF INVESTMENTS**  
**DECEMBER 31, 2025**

(Amounts in thousands)

<u>Par/Shares</u>	<u>Description</u>	<u>Acquisition Date</u>	<u>Value as of December 31, 2025</u>
<b>Real Estate Co-Investment Joint Ventures - 95.0%</b>			
<b>Industrial - 16.4%</b>			
	N/A Fontavis Finance Industrial JV 1, LLC (Cost \$4,421) <sup>(1)(2)(3)(4)</sup>	06/04/21	\$ 4,079
	N/A Fontavis Finance Industrial JV 2, LLC (Cost \$196,988) <sup>(1)(2)(3)(4)</sup>	09/29/21	195,978
	<b>Total Industrial (Cost \$201,409)</b>		<b>\$ 200,057</b>
<b>Multi-Family Residential - 21.0%</b>			
	N/A Fontavis Finance MF JV 1, LLC (Cost \$229,979) <sup>(1)(2)(3)(4)</sup>	03/05/21	\$ 257,081
	<b>Total Multi-Family Residential (Cost \$229,979)</b>		<b>\$ 257,081</b>
<b>Single Family Residential - 57.6%</b>			
	N/A Fontavis Finance SFR Dev JV 1, LLC (Cost \$26,497) <sup>(1)(2)(3)(4)</sup>	04/02/21	\$ 27,136
	N/A Fontavis Finance SFR JV 1, LLC (Cost \$564,300) <sup>(1)(2)(3)(4)</sup>	01/25/21	560,582
	N/A Fontavis Finance SFR JV 2, LLC (Cost \$79,610) <sup>(1)(2)(3)(4)</sup>	01/09/23	117,039
	<b>Total Single Family Residential (Cost \$670,407)</b>		<b>\$ 704,757</b>
	<b>Total Real Estate Co-Investment Joint Ventures (Cost \$1,101,795)</b>		<b>\$ 1,161,895</b>
<b>Short-Term Investment - 5.2%</b>			
	64,365 JP Morgan U.S. Treasury Plus Money Market Fund, Capital Shares, 3.75% <sup>(5)</sup>		\$ 64,365
	<b>Total Short-Term Investment (Cost \$64,365)</b>		<b>\$ 64,365</b>
	<b>Total investments, at value - 100.2% (Cost \$1,166,160)</b>		<b>\$ 1,226,260</b>
	<b>Liabilities in excess of other assets - (0.2)%</b>		<b>(2,995)</b>
	<b>Total Net Assets - 100.0%</b>		<b>\$ 1,223,265</b>

LLC Limited Liability Company

- (1) Investment in an affiliate. See Note 6, *Investment Manager Fees and Other Related Party Transactions* for additional information.  
(2) Investments classified as Level 3 within the three-tier fair value hierarchy. See the accompanying notes to the financial statements for an explanation of this hierarchy, as well as a list of significant unobservable inputs used in the valuation of these instruments.  
(3) Restricted security. The aggregate value of restricted securities at December 31, 2025 is approximately \$1,161,895 (*amount in thousands*) and represents approximately 95.0% of net assets. See Note 2, *Summary of Significant Accounting Policies* for additional information.  
(4) Non-income producing investment.  
(5) Rate disclosed is representative of the seven-day effective yield as of December 31, 2025.

**PORTFOLIO COMPOSITION (As of December 31, 2025)**

	<b>Percent of Total Investments</b>
Single Family Residential	57.5%
Multi-Family Residential	21.0%
Industrial	16.3%
Other	5.2%
<b>Total Investments</b>	<b>100.0%</b>

See accompanying notes to financial statements.

**FNTVS INCOME EREIT, LLC**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**DECEMBER 31, 2025**

(Amounts in thousands, except share and per share data)

<b>Assets</b>	
Investments in non-controlled affiliated entities, at fair value (Cost \$1,101,795)	\$ 1,161,895
Investments in unaffiliated entities, at fair value (Cost \$64,365)	64,365
Cash	969
Dividends receivable from unaffiliated investments	133
Prepaid expenses	229
<b>Total Assets</b>	<b><u>\$ 1,227,591</u></b>
<b>Liabilities</b>	
Settling subscriptions	\$ 1,041
Management fees payable	878
Marketing expenses payable	842
Distributions payable	658
Professional fees payable	519
Redemptions payable	237
Accounts payable and accrued expenses	151
<b>Total Liabilities</b>	<b><u>\$ 4,326</u></b>
<b>Commitments and Contingencies<sup>1</sup></b>	
<b>Total Net Assets</b>	<b><u>\$ 1,223,265</u></b>
<b>Components of Net Assets</b>	
Paid-in capital	\$ 1,221,155
Distributable earnings	2,110
<b>Total Net Assets</b>	<b><u>\$ 1,223,265</u></b>
<b>Net Asset Value</b>	
Net Assets	\$ 1,223,265
Common shares outstanding as of December 31, 2025; unlimited shares authorized	<u>103,522,512</u>
<b>Net Asset Value Per Share</b>	<b><u>\$ 11.82</u></b>

<sup>(1)</sup> See Note 2, *Summary of Significant Accounting Policies* for additional information.

See accompanying notes to financial statements.

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**FNTVS INCOME EREIT, LLC**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

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(Amounts in thousands)

<b>Investment Income</b>		
Dividend income from unaffiliated investments	\$	724
Interest income from unaffiliated investments		577
<b>Total Investment Income</b>	<b>\$</b>	<b>1,301</b>
<b>Expenses</b>		
Management fees	\$	10,229
Marketing expenses		5,743
Miscellaneous expenses		1,166
Professional fees		771
Custody fees		680
Transfer agent fees		186
Directors' fees		170
Interest expense		98
<b>Total Expenses</b>	<b>\$</b>	<b>19,043</b>
<b>Net Investment Income (Loss)</b>	<b>\$</b>	<b>(17,742)</b>
<b>Net Realized and Unrealized Gain (Loss) from Investments</b>		
Net realized gain (loss) from unaffiliated investments	\$	537
Net change in unrealized appreciation/depreciation from unaffiliated investments		(499)
Net change in unrealized appreciation/depreciation from non-controlled affiliated investments		33,806
<b>Total Net Realized and Unrealized Gain (Loss) from Investments</b>	<b>\$</b>	<b>33,844</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>\$</b>	<b>16,102</b>

See accompanying notes to financial statements.

**FNTVS INCOME EREIT, LLC**  
**STATEMENTS OF CHANGES IN NET ASSETS**

(Amounts in thousands)

	<b>For the Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Operations:</b>		
Net investment income (loss)	\$ (17,742)	\$ (17,914)
Net realized gain (loss) from investments	537	309
Net change in unrealized appreciation/depreciation from investments	33,307	104,144
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>\$ 16,102</b>	<b>\$ 86,539</b>
<b>Distributions to Common Shareholders From:</b>		
Return of capital	\$ (2,559)	\$ (2,840)
<b>Net Decrease in Net Assets from Distributions to Common Shareholders</b>	<b>\$ (2,559)</b>	<b>\$ (2,840)</b>
<b>Capital Share Transactions:</b>		
Proceeds from sale of shares	\$ 220,607	\$ 193,542
Distributions reinvested	346	675
Repurchase of shares	(251,584)	(235,003)
<b>Net Increase (Decrease) in Net Assets from Capital Share Transactions</b>	<b>\$ (30,631)</b>	<b>\$ (40,786)</b>
<b>Net Increase (Decrease) in Net Assets</b>	<b>\$ (17,088)</b>	<b>\$ 42,913</b>
<b>Net Assets:</b>		
Beginning of Year	\$ 1,240,353	\$ 1,197,440
End of Year	<b>\$ 1,223,265</b>	<b>\$ 1,240,353</b>

See accompanying notes to financial statements.

**FNTVS INCOME EREIT, LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

(Amounts in thousands)

**Operating Activities:**

Net increase (decrease) in net assets resulting from operations \$ 16,102

**Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:**

Investments in non-controlled affiliated entities (169,797)  
Investments in unaffiliated entities (14,000)  
Net change in investments in short-term investments (7,746)  
Accretion of discounts (53)  
Return of capital distributions from non-controlled affiliated investments 213,080  
Net realized (gain) loss from unaffiliated investments (537)  
Net change in unrealized appreciation/depreciation from unaffiliated investments 499  
Net change in unrealized appreciation/depreciation from non-controlled affiliated investments (33,806)  
Proceeds from sale of unaffiliated investments 28,120

**Changes in assets and liabilities:**

Net (increase) decrease in dividends receivable from unaffiliated investments 27  
Net (increase) decrease in prepaid expenses (102)  
Net increase (decrease) in settling subscriptions (467)  
Net increase (decrease) in marketing expenses payable (33)  
Net increase (decrease) in management fees payable 9  
Net increase (decrease) in redemptions payable 158  
Net increase (decrease) in professional fees payable and accounts payable and accrued expenses 216

**Net cash provided by (used in) operating activities** \$ 31,670

**Financing Activities:**

Proceeds from sale of shares \$ 220,607  
Cash paid for shares repurchased (251,584)  
Distributions paid (2,228)

**Net cash provided by (used in) financing activities** \$ (33,205)

**Net increase (decrease) in cash** \$ (1,535)

**Cash, beginning of year** 2,504

**Cash, end of year** \$ 969

**Supplemental Disclosure of Non-Cash Activity:**

Distributions reinvested \$ 346

See accompanying notes to financial statements.

**FNTVS INCOME EREIT, LLC**  
**FINANCIAL HIGHLIGHTS**

These financial highlights reflect selected data for a share outstanding throughout each year.

	<b>For the Years Ended December 31,</b>				
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Net Asset Value, Beginning of Year</b>	<b>\$ 11.69</b>	<b>\$ 10.90</b>	<b>\$ 12.41</b>	<b>\$ 12.81</b>	<b>\$ 10.00</b>
<b>Income from Investment Operations</b>					
Net investment income (loss) <sup>(1)</sup>	\$ (0.17)	\$ (0.17)	\$ (0.03)	\$ (0.13)	\$ (0.22)
Net realized and unrealized gain (loss) on investments	0.33	0.99	(1.43)	(0.12)	3.21
<b>Total Income (Loss) from Investment Operations</b>	<b>\$ 0.16</b>	<b>\$ 0.82</b>	<b>\$ (1.46)</b>	<b>\$ (0.25)</b>	<b>\$ 2.99</b>
<b>Distributions to Common Shareholders From:</b>					
Return of Capital	\$ (0.03)	\$ (0.03)	\$ (0.05)	\$ (0.15)	\$ (0.18)
<b>Total Distributions to Common Shareholders</b>	<b>\$ (0.03)</b>	<b>\$ (0.03)</b>	<b>\$ (0.05)</b>	<b>\$ (0.15)</b>	<b>\$ (0.18)</b>
<b>Net Asset Value, End of Year</b>	<b>\$ 11.82</b>	<b>\$ 11.69</b>	<b>\$ 10.90</b>	<b>\$ 12.41</b>	<b>\$ 12.81</b>
<b>Total Investment Return Based on Net Asset Value<sup>(2)</sup></b>	<b>1.33%</b>	<b>7.50%</b>	<b>(11.79)%</b>	<b>(1.96)%</b>	<b>29.35%</b>
<b>Ratios and Supplemental Data</b>					
Net assets at end of year (thousands)	\$ 1,223,265	\$ 1,240,353	\$ 1,197,440	\$ 1,319,189	\$ 724,940
Including interest expense:					
Ratio of gross expenses to average net assets <sup>(3)(4)</sup>	1.58%	1.77%	1.09%	1.13%	1.67% <sup>(5)</sup>
Ratio of net expenses to average net assets <sup>(4)</sup>	1.58%	1.77%	1.09%	1.13%	1.98% <sup>(5)</sup>
Ratio of net investment income (loss) to average net assets <sup>(4)</sup>	(1.47)%	(1.53)%	(0.21)%	(1.01)%	(1.95)% <sup>(5)</sup>
Excluding interest expense:					
Ratio of gross expenses to average net assets <sup>(3)(4)</sup>	1.57%	1.77%	1.09%	1.13%	1.67% <sup>(5)</sup>
Ratio of net expenses to average net assets <sup>(4)</sup>	1.57%	1.77%	1.09%	1.13%	1.98% <sup>(5)</sup>
Ratio of net investment income (loss) to average net assets <sup>(4)</sup>	(1.46)%	(1.53)%	(0.21)%	(1.01)%	(1.95)% <sup>(5)</sup>
Portfolio turnover rate	2%	1%	3%	4%	-%

<sup>(1)</sup> Based on average shares outstanding during each period.

<sup>(2)</sup> Total investment return based on net asset value is based upon the change in net asset value per share between the opening and ending net asset values per share in the period indicated and assumes that dividends are reinvested in accordance with the Fund's dividend reinvestment policy. Returns shown do not reflect the deduction of taxes that a Shareholder would pay on Fund distributions or the repurchase of Fund shares.

<sup>(3)</sup> Reflects the expense ratio excluding any waivers and/or reimbursements.

<sup>(4)</sup> Expenses do not include operating expenses of the underlying Real Estate Co-Investment Joint Ventures and registered investment companies.

<sup>(5)</sup> The ratio is net of a waiver of 0.99%, which is deemed to be voluntary as the total expense ratio did not exceed the expense cap for the year ended December 31, 2021 and is inclusive of fee recoupment and expense reimbursement of 1.30%.

See accompanying notes to financial statements.

## **1. Formation and Organization**

FNTVS Income eREIT, LLC (the “Fund” or the “Registrant”) is a California limited liability company and has elected and has qualified to be taxed as a real estate investment trust (a “REIT”) for U.S. federal income tax purposes under Part II of Subchapter M of Chapter 1 of the Internal Revenue Code of 1986, as amended (the “Code”), commencing with its taxable year ended December 31, 2021, and intends to continue to qualify as a REIT. The Fund is organized as a continuously offered, non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), that operates as an interval fund. The Fund’s registration statement was declared effective on December 18, 2020. The Fund commenced investment operations on January 1, 2021.

The Fund’s investment objective is to seek to generate current income while secondarily seeking long-term capital appreciation with low to moderate volatility and low correlation to the broader markets. Under normal circumstances, the Fund’s investment strategy is to invest at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in a diversified portfolio of private real estate (real property whose ownership interests are not traded on public markets) and publicly traded real estate-related investments.

The investment adviser to the Fund is FNTVS Advisors, LLC (the “Adviser”), an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940, as amended. The Adviser is a wholly-owned subsidiary of Fontavis Group Corp. (“Fontavis Group” or the “Sponsor”), the Fund’s sponsor. Subject to the supervision of the Board of Directors of the Fund (the “Board”), the Adviser is responsible for directing the management of the Fund’s business and affairs, managing the Fund’s day-to-day affairs, and implementing the Fund’s investment strategy.

## **2. Summary of Significant Accounting Policies**

### ***Basis of Presentation***

The accompanying financial statements of the Fund are prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). The Fund is an investment company and follows the accounting and reporting guidance in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, Financial Services - Investment Companies (“ASC 946”). The Fund maintains its financial records in U.S. dollars and follows the accrual basis of accounting.

The estimates and assumptions underlying these financial statements are based on information available as of December 31, 2025, including judgments about the financial market and economic conditions which may change over time.

### ***Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### ***Valuation Oversight***

Pursuant to SEC Rule 2a-5 under the 1940 Act, the Board has approved the Adviser as the Fund’s Valuation Designee (“Valuation Designee”), to provide administration and oversight of the Fund’s valuation policies and procedures. The Fund values its investments in accordance with such procedures. Generally, portfolio securities and other assets for which market quotations are readily available are valued at market value, which is ordinarily determined on the basis of official closing prices or the last reported sales prices. If market quotations are not readily available or are deemed unreliable, the Fund will use the fair value of the securities or other assets as determined by the Adviser in good faith, taking into consideration all available information and other factors that the Adviser deems pertinent, in each case subject to the overall supervision and responsibility of the Board.

In calculating the Fund’s net asset value (“NAV”), the Adviser, subject to the oversight of the Board, uses various valuation methodologies. To the extent practicable, the Adviser generally endeavors to maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that the most observable inputs are to be used when available. The availability of

valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors. When valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment, and may involve alternative methods to obtain fair values where market prices or market-based valuations are not readily available. As a result, the Adviser may exercise a higher degree of judgment in determining fair value for certain securities or other assets.

### *Fair Value Measurement*

The following is a current summary of certain methods generally used to value investments of the Fund under the Fund's valuation procedures:

The Fund applies FASB ASC Topic 820, Fair Value Measurement, as amended, which establishes a framework for measuring fair value in accordance with U.S. GAAP and required disclosures of fair value measurement. U.S. GAAP defines the fair value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date.

The Fund determines the fair value of certain investments in accordance with the fair value hierarchy that requires an entity to maximize the use of observable inputs. The fair value hierarchy includes the following three levels based on the objectivity of the inputs, which were used for categorizing the assets or liabilities for which fair value is being measured and reported:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Significant other observable inputs (e.g., quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable such as interest rate and yield curves, and market-corroborated inputs).

Level 3 – Valuation generated from model-based techniques that use inputs that are significant and unobservable in the market. These unobservable assumptions reflect estimates of inputs that market participants would use in pricing the asset or liability. Valuation techniques may include use of discounted cash flow methodologies or similar techniques, which incorporate management's own estimates of assumptions that market participants would use in pricing the instrument or other valuation assumptions that require significant management judgment or estimation.

Fixed income securities are valued by an independent pricing service overseen by the Valuation Designee. The pricing service employs a pricing model that takes into account, among other things, bids, yield spreads and/or other market data and specific security characteristics. In the event prices or quotations are not readily available or that the application of these valuation methods results in a price for an investment that is deemed to be not representative of the fair value of such investment, fair value will be determined in good faith by the Valuation Designee, in accordance with the valuation policy and procedures approved by the Board. These securities are generally classified in Level 2 of the fair value hierarchy.

Investments in registered investment companies, including money market funds, are valued at the NAV as of the close of each business day. These securities are generally classified in Level 1 of the fair value hierarchy.

Real Estate Co-Investment Joint Ventures are stated at fair value. See *Note 7, Investments* for further information regarding the Real Estate Co-Investment Joint Ventures. The Fund's ownership interests are valued based on the fair value of the underlying real estate, any related mortgage loans payable, and any other assets and liabilities of the joint venture. The fair values of real estate investments are generally determined by considering the income, cost, or sales comparison approaches of estimating property value. The income approach may be based on the discounted cash-flow method or the direct capitalization method. The discounted cash-flow method estimates an income stream for a property (typically 10 years) and discounts this income plus a reversion (presumed sale) into a present value at a risk adjusted rate. The discount rate and the exit capitalization rate are significant inputs in valuations based on discounted cash flow analysis. These rates are based on the location, type, and nature of each property, as well as current and anticipated market conditions. The direct capitalization method converts a single year's estimated stabilized net operating income into a value indication by applying a market-based capitalization rate. Discount rates, market-based capitalization rates, and growth assumptions utilized in the income approach are derived from market transactions as well as other financial and industry data. The cost approach estimates the replacement cost of the building less depreciation plus the land value. The sales comparison approach

**FNTVS INCOME EREIT, LLC NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2025**

compares recent transactions to the subject property. Adjustments are made for dissimilarities that typically provide a range of value.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Fund's investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material.

The following is a summary of the Fund's assets measured at fair value on a recurring basis as of December 31, 2025, and indicates the fair value hierarchy of the inputs utilized by the Fund to determine such fair value (*amounts in thousands*):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Real Estate Co-Investment Joint Ventures	\$ –	\$ –	\$ 1,161,895	\$ 1,161,895
Short-Term Investment	64,365	–	–	64,365
<b>Total Investments</b>	<b>\$ 64,365</b>	<b>\$ –</b>	<b>\$ 1,161,895</b>	<b>\$ 1,226,260</b>

The following is a summary of quantitative information about the significant unobservable inputs used to determine the fair value of the Fund's Level 3 investments as of December 31, 2025 (*amounts in thousands*). The weighted average range of unobservable inputs is based on the fair value of investments. Various valuation techniques were used in the valuation of certain investments and weighted based on the level of significance. The tables are not intended to be all-inclusive but instead capture the significant unobservable inputs relevant to the Fund's determination of fair value.

<u>Investment</u>	<u>Fair Value</u>	<u>Valuation Technique</u>	<u>Unobservable Input<sup>(1)</sup></u>	<u>Range (Weighted Average)</u>	<u>Impact to Valuation from an Increase in Input<sup>(2)</sup></u>
Real Estate Co-Investment Joint Ventures	\$ 1,161,895	Direct Capitalization	Capitalization Rate	5.3%	Decrease
		Discounted Cash Flow	Discount Rate	6.2% – 7.7% (6.6%)	Decrease
		Sales Comparison Approach	Price Per Unit	\$218 – \$322 (\$294)	Increase
<b>Total Real Estate Co-Investment Joint Ventures</b>	<b>\$ 1,161,895</b>				

<sup>(1)</sup> Represents the significant unobservable input used to fair value the underlying real estate property of the joint ventures. The fair value of such financial instruments is the largest component of the valuation of each joint venture as a whole.

<sup>(2)</sup> Represents the expected directional change in the fair value of the Level 3 investments that would result from an increase in the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant changes in these inputs could result in significantly higher or lower fair value measurements.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value (*amounts in thousands*):

	<u>Real Estate Co-Investment Joint Ventures</u>
<b>Balance as of December 31, 2024</b>	\$ 1,171,372
Purchases	169,797
Realized gain (loss)	–
Net change in unrealized appreciation/depreciation	33,806
Return of capital distributions	(213,080)
Sales	–
Transfers into Level 3	–
Transfers out of Level 3	–
<b>Balance as of December 31, 2025</b>	<b>\$ 1,161,895</b>
Net change in unrealized appreciation/depreciation for the year ended December 31, 2025 related to Level 3 investments held at December 31, 2025	<b>\$ 33,806</b>

**Restricted Securities**

The Fund may purchase securities for which there is a limited trading market or which are subject to restrictions on resale to the public. Restricted securities and securities for which there is a limited trading market may be significantly more difficult to value due to the unavailability of reliable market quotations for such securities, and investment in such securities may have an adverse impact on NAV. The Fund may purchase Rule 144A securities for which there may be a secondary market of qualified institutional buyers as contemplated by Rule 144A under the Securities Act. Rule 144A provides an exemption from the registration requirements of the

Securities Act for the resale of certain restricted securities to qualified institutional buyers. Restricted securities held at December 31, 2025 are identified within the Schedule of Investments.

### ***Income Taxes***

The Fund has elected and has qualified to be taxed as a REIT under the Code beginning with the taxable year ended December 31, 2021, and intends to continue to qualify as a REIT. To qualify as a REIT, the Fund must meet and continue to meet the requirements relating to the Fund's organization, ownership, sources of income, nature of assets and distributions of income to shareholders of the Fund ("Shareholders"), including a requirement to distribute at least 90% of the Fund's annual REIT taxable income to the Shareholders (which is computed without regard to its deduction for dividends paid and its net capital gains). As a REIT, the Fund generally will not be subject to U.S. federal income tax on the income that it distributes to its Shareholders if it meets the applicable REIT distribution and other requirements for qualification. Even if the Fund qualifies and maintains the tax status as a REIT, it may become subject to certain U.S. federal income taxes and related state and local taxes on its income and assets, on taxable income that the Fund does not distribute to its Shareholders, on net income from certain "prohibited transactions" and on income from some activities conducted as a result of a foreclosure, and state or local income, property and transfer taxes. The tax period for the taxable year ending December 31, 2022 and all tax periods following remain open to examination by the major taxing authorities in all jurisdictions where we are subject to taxation. For the open tax periods, the Fund has no uncertain tax positions that would require recognition in the financial statements.

Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed to not meet the more-likely-than-not threshold. For the year ended December 31, 2025, the Fund did not incur any income tax, interest, or penalties.

### ***Issuance of Shares***

The Fund offers its common shares of limited liability company interests ("Shares") on a continuous basis through the Fontavis Finance Platform, an investment platform available both online at [www.Fontavis Finance.com](http://www.Fontavis Finance.com) and through various mobile applications owned and operated by the Sponsor. The price a Shareholder pays for Shares is based on the Fund's NAV. The NAV of the Fund's Shares is calculated daily on each day that the New York Stock Exchange is open for business. Cash received for investor subscriptions is recorded as Settling Subscriptions in the Statement of Assets and Liabilities until settlement occurs and shares are issued.

### ***Distributions To Shareholders***

The Fund intends to make distributions necessary to maintain qualification for taxation as a REIT. The Fund expects that it will declare daily distributions to Shareholders of record as of close of business on each day, paid on a quarterly basis, or more or less frequently as determined by the Board, in arrears. The Board may authorize distributions in shares or in excess of those required for the Fund to maintain REIT tax status depending on the Fund's financial condition and such other factors as the Board may deem relevant. The distribution rate may be modified by the Board from time to time. The Board reserves the right to change or suspend the distribution policy from time to time. Distributions to shareholders of the Fund are recorded on the ex-dividend date.

### ***Dividend Reinvestment***

The Fund operates under a dividend reinvestment policy administered by the Adviser. Pursuant to the policy, a Shareholder's income dividends, capital gains or other distributions, net of any applicable U.S. withholding tax, can be reinvested in the Shares of the Fund, provided that, if a Shareholder participates in an investment plan offered by the Adviser, such distributions will be reinvested in accordance with such investment plan. Unless a Shareholder elects to "opt in" to the Fund's dividend reinvestment policy, any dividends and other distributions paid to the Shareholder by the Fund will not be reinvested in additional Shares of the Fund under the policy. When the Fund declares a distribution payable in cash, the Shareholders enrolled in the dividend reinvestment plan will receive an equivalent amount in Shares from the Fund either newly issued or repurchased from Shareholders by the Fund or according to their investment plan, if applicable. The number of Shares to be received when distributions are reinvested will be determined by dividing the amount of the distribution (or the percentage of the distribution allocable to the Fund under the terms of the investment plan, if applicable) by the Fund's NAV per share when the distribution is paid.

Shareholders who do not participate in the Fund's dividend reinvestment policy will receive all dividends in cash.

### ***Investment Income and Securities Transactions***

Securities transactions are accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses on sales of investments are determined on a specific identification basis. Dividend income and distributions from investments are recorded on the ex-dividend date. Interest income is recorded on an accrual basis and includes, where applicable, the amortization of premiums and accretion of discounts. Distributions received from investments generally are comprised of ordinary income and/or return of capital. The Fund estimates the allocation of distributions between investment income and return of capital based on historical information or regulatory filings. These estimates may subsequently be revised based on actual allocations received from investments after their tax reporting periods are concluded, as the actual character of these distributions is not known until after the reporting period of the Fund.

### ***Guarantees***

The Fund has entered into two guarantee agreements in connection with a senior secured mortgage loan facility extended to several underlying real estate properties owned by the Real Estate Co-Investment Joint Ventures or certain entities affiliated with or managed by the Adviser, collectively, the "Borrowers". Under the terms of the loan agreement, the Fund, alongside other entities affiliated with or managed by the Adviser, has provided guarantees of certain obligations of the Borrowers, through the date of the loan's initial maturity, July 9, 2027, in addition to any subsequent borrower-elected maturity extensions. Consistent with the Fund's investment strategy in utilizing debt financing at the property level, these guarantees were provided to enhance the credit profile of the Borrowers, facilitate access to more favorable financing terms, and obtain leverage to support its investment activities.

The Fund's obligations as a guarantor include a springing recourse guarantee covering standard lender protection clauses. In the remote likelihood of wrongful action by the Borrowers, the Fund would be liable for repayment of its pro-rata share of all indebtedness under the loan. As of December 31, 2025, the maximum potential amount of future payments under this guarantee were approximately \$222,212 (*amount in thousands*), which represents the Fund's allocated maximum exposure in the event of default by the Borrowers. This amount could rise to \$228,550 (*amount in thousands*), if the loan facility is fully drawn upon.

Additionally, the Fund is subject to a guaranty of interest and carry costs (the "Carry Guaranty"), which includes all interest payments due, any minimum return amounts, any interest due at the default rate, and any required deposits into the interest and carry reserve account. The Carry Guaranty is subject to termination upon the earliest of either (i) the full repayment of indebtedness, (ii) a valid tender, or (iii) the date that the underlying real estate properties achieve a debt yield of at least eight percent (8%) for two consecutive fiscal quarters. As of December 31, 2025, none of these termination conditions had been met, and the Carry Guaranty remained active. Interest is paid at a floating rate based on SOFR plus a spread of 315 basis points. At December 31, 2025, the interest rate was approximately 6.9%. As of December 31, 2025, the maximum potential amount of future payments under this guarantee were approximately \$23,638 (*amount in thousands*), which represents the Fund's pro-rata share of the maximum interest payments through initial maturity date, assuming full Borrower default and the interest rate above. This amount could rise to \$24,312 (*amount in thousands*), if the loan facility is fully drawn upon. As of December 31, 2025, no property sales have occurred that would result in a minimum return payment, no default interest is due, and the interest and carry reserve account is fully funded.

Based on current information and analysis, management believes the likelihood of the Fund being required to perform under the guarantees is remote and that no material liability exists as of the reporting date. Accordingly, as of December 31, 2025, no liability has been recorded in the financial statements. The Fund continues to monitor the financial condition and performance of the Borrowers and will reassess the need to record a liability if future events or circumstances indicate a probable loss.

These debt arrangements also contain various financial and non-financial covenant requirements for the Fund. As of December 31, 2025, the Fund was in compliance with these covenants.

### **3. Concentration of Risk**

Investing in the Fund involves risks, including, but not limited to, those set forth below. The risks described below are not, and are not intended to be, a complete enumeration or explanation of the risks involved in an investment in the Fund. For a more complete discussion of the risks of investing in the Fund, see the section entitled "Principal Risks" in the Fund's Prospectus and Statement

of Additional Information dated April 25, 2025, declared effective May 1, 2025, and the Fund's other filings with the SEC.

*Non-Listed Closed-End Interval Fund; Liquidity Risk.* The Fund is a non-diversified, closed-end management investment company operating as an "interval fund" and is designed primarily for long-term investors. Closed-end funds differ from open-end management investment companies (commonly known as mutual funds) because investors in a closed-end fund do not have the right to redeem their shares on a daily basis. Unlike many closed-end funds, which typically list their shares on a securities exchange, the Fund does not currently intend to list the Shares for trading on any securities exchange, and the Fund does not expect any secondary market to develop for the Shares in the foreseeable future. Therefore, an investment in the Fund, unlike an investment in a typical closed-end fund, should not be considered to be a liquid investment. The Fund is not intended to be a typical traded investment. Shareholders are also subject to transfer restrictions and there is no guarantee that they will be able to sell their Shares. If a secondary market were to develop for the Shares in the future, and a Shareholder is able to sell his or her shares, the Shareholder will likely receive less than the purchase price and the then-current NAV per Share.

Although the Fund, as a fundamental policy, will make quarterly offers to repurchase at least 5% and up to 25% of its outstanding shares at NAV, the number of shares tendered in connection with a repurchase offer may exceed the number of shares the Fund has offered to repurchase, in which case not all of a Shareholder's shares tendered in that offer will be repurchased. In connection with any given repurchase offer, it is likely that the Fund may offer to repurchase only the minimum amount of 5% of its outstanding shares. Hence, a Shareholder may not be able to sell their shares when or in the amount that they desire.

*Non-Diversification Risk.* As a "non-diversified" fund, the Fund may invest more than 5% of its total assets in the securities of one or more issuers. Therefore, the Fund may be more susceptible than a diversified fund to being adversely affected by events impacting a single borrower, geographic location, security or investment type. Further, a non-diversified fund is more vulnerable than a more broadly diversified fund to fluctuations in the values of the securities it holds. For these reasons, an investment in the Fund may fluctuate in value and have a greater degree of risk.

*Investment and Market Risk.* An investment in the Fund is subject to investment risk, including the possible loss of the entire amount that a Shareholder invests. The value of the Fund's investments may move up or down due to adverse market conditions, sometimes rapidly and unpredictably. At any point in time, shares may be worth less than the original investment, even after taking into account the reinvestment of Fund dividends and distributions. Market risk also includes the risk that domestic, geopolitical and other events such as war, terrorism, market manipulation, government defaults, government shutdowns, political changes, diplomatic developments or the imposition of sanctions and other similar measures, public health emergencies (such as the spread of infectious diseases, pandemics and epidemics), natural/environmental disasters, or other disruptive events negatively impacting the securities markets, which may adversely affect the Fund's business, results of operations and financial condition and cause the Fund to lose value.

*Real Estate Investment Risks Generally.* The Fund's investments are subject to the risks typically associated with real estate, which may affect the Fund's operations or investments, including but not limited to: changes in certain economic, demographic or capital market conditions, a prolonged economic slowdown, recession or declining real estate values; future adverse national real estate trends; the leases on the properties underlying the Fund's investments may not be renewed on favorable terms, or the occupancy rate of, or lease rates charged, at properties may change; change in supply of or demand for similar properties in a given market; risks of cost overruns and non-completion of the construction or renovation of properties; changes in interest rates and/or credit spreads; lack of liquidity in real estate assets; property locations and conditions, ongoing operating costs, and expense of leasing, renovation or constructions; bankruptcies, financial difficulties or defaults by tenants, real estate operators, property managers or other parties involved in the Fund's operations; costs of compliance with laws and regulations applicable to real estate investments, including changes in such laws or regulations; environmental liabilities of properties in which the Fund invests; and unforeseeable events such as civil disturbance, terrorism, natural disasters or general downturns in the real estate industry, value of properties, or public health crisis such as pandemics or endemics.

*Commercial Real Estate Industry Risk.* Commercial real estate is dependent on the commercial real estate industry generally, which in turn is dependent upon broad economic conditions. Challenging economic and financial market conditions may cause the Fund to experience an increase in the number of commercial real estate investments that result in losses, including delinquencies, non-performing assets and a decrease in the value of the property or, in the case of Publicly Traded Real Estate Securities, collateral which secures its investments, all of which could adversely affect the Fund's results of operations.

*Risks Related to Specific Residential and Commercial Real Estate Property Types.* The Fund intends to invest in a variety of residential and commercial real estate property types, which will expose the Fund to risks associated with residential and commercial real estate, including general risks affecting all types of residential and commercial real estate property.

*Risk of Investing Through Real Estate Investment Vehicles.* By investing in Real Estate Investment Vehicles (a “Vehicle”), the Fund is indirectly exposed to risks associated with such Vehicles investments in residential and commercial real estate investments. Such investments may involve risks not otherwise present with other methods of investment, including: the Fund may not have sole decision-making authority with respect to such an investment, and a co-investor, joint venture partner or other investor (collectively, “other investors”) in the Vehicle could take actions that decrease the value of the investment; other investors in the Vehicle may have economic or other interests or goals that are inconsistent with the Fund’s interests or goals; other investors in the Vehicle that control its management could become insolvent or bankrupt, or be subject to fraud or other misconduct that may have a material adverse effect on the Fund’s investment; under circumstances when no party has the power to control the Vehicle, an impasse could result regarding cash distributions, reserves or a proposed sale or refinancing of the investment, which could adversely impact the operations and profitability of the Vehicle; other investors in the Vehicle may be structured differently than the Fund for tax purposes, which could risk the Fund’s ability to qualify as a REIT for tax purposes; other investors managing the Vehicle may experience a change in control, which could result in new management; and the terms of a Vehicle could restrict the Fund’s ability to sell or transfer its interest to a third-party when it desires on advantageous terms, which may result in reduced liquidity.

*Valuation Risk.* The Fund is subject to valuation risk, which is the risk that one or more of the assets in which the Fund invests are priced incorrectly, due to factors such as incomplete data, market instability or human error. If the Fund ascribes a higher value to assets and their value subsequently drops or fails to rise because of market factors, returns on the Fund’s investment may be lower than expected and could experience losses.

*Interest Rate Risk.* Changes in interest rates, including changes in expected interest rates or “yield curves,” may affect the Fund’s business in a number of ways. Changes in the general level of interest rates can affect the Fund’s net interest income, which is the difference between the interest income earned on the Fund’s interest-earning assets and the interest expense incurred in connection with its interest-bearing borrowings and hedges. Changes in the level of interest rates also can affect, among other things, the Fund’s ability to acquire certain of the Publicly Traded Real Estate Securities at attractive prices, acquire or originate certain of the residential and commercial real estate debt investments at attractive prices, and enter into hedging transactions. Generally, as interest rates increase, the value of the Fund’s fixed rate securities decreases, which will decrease the book value of the Fund’s equity. In addition, changes in monetary policy may exacerbate the risks associated with changing interest rates. It is difficult to predict the magnitude, timing or direction of interest rate changes and the impact these changes will have on the markets in which the Fund invests.

*Leverage Risk.* The Fund may use leverage in connection with its investments. The Fund may employ leverage of not more than 33 ⅓% of total assets as it is limited to 33 ⅓% of the Fund’s total assets (less all liabilities and indebtedness not represented by 1940 Act leverage), in order to provide more funds available for investment. Leverage may result in greater volatility of the NAV of, and distributions on, the Shares because changes in the value of the Fund’s portfolio investments, including investments purchased with the proceeds from Borrowings or the issuance of Preferred Stock, if any, are borne entirely by holders of Shares.

*Risks Related to the Fund’s Tax Status as a REIT.* The Fund has elected to be taxed and has qualified for treatment each year as a REIT under the Internal Revenue Code of 1986, as amended (defined above as the “Code”) beginning with its taxable year ended December 31, 2021 and intends to continue to qualify as a REIT. However, qualification as a REIT for tax purposes involves the application of highly technical and complex Code provisions for which only a limited number of judicial or administrative interpretations exist. Notwithstanding the availability of cure provisions in the Code, various compliance requirements could be failed and could jeopardize the Fund’s REIT tax status. Failure to qualify for taxation as a REIT would cause the Fund to be taxed as a regular corporation, which would substantially reduce funds available for distributions to Shareholders. In addition, complying with the requirements to maintain its REIT tax status may cause the Fund to forego otherwise attractive opportunities or to liquidate otherwise attractive investments, adversely affect the Fund’s liquidity and force the Fund to borrow funds during unfavorable market conditions, and/or limit the Fund’s ability to hedge effectively and cause the Fund to incur tax liabilities.

#### 4. Share Transactions

Below is a summary of transactions with respect to the Fund’s common shares for the year ended December 31, 2025 and for the year ended December 31, 2024 (*all tabular amounts are in thousands except share data*):

	For the Year Ended December 31, 2025		For the Year Ended December 31, 2024	
	Shares	Amount	Shares	Amount
Common Shares				
Proceeds from sale of shares	18,750,166	\$ 220,607	17,221,100	\$ 193,542
Reinvestment of distributions	29,385	346	60,786	675
Total gross proceeds	18,779,551	220,953	17,281,886	194,217
Repurchase of shares	(21,345,809)	(251,584)	(21,004,334)	(235,003)
<b>Net Proceeds from Common Shares</b>	<b>(2,566,258)</b>	<b>\$ (30,631)</b>	<b>(3,722,448)</b>	<b>\$ (40,786)</b>

As of December 31, 2025, the Sponsor held 10,000 common shares. During the year ended December 31, 2024, Fontavis Finance L.P., an affiliate of the Sponsor, fully redeemed its previously held 500 common shares. For the year ended December 31, 2025, total distributions declared to the Sponsor were less than \$1,000.

During the year ended December 31, 2025, the Fund sold shares to the FNTVS Income Real Estate Fund, LLC (the “Income Fund”), an affiliated fund sponsored by the Adviser. As of December 31, 2025, the Income Fund held approximately 2,628,200 common shares, valued at approximately \$31,065 (*amount in thousands*). For the year ended December 31, 2025, total distributions declared to the Income Fund were approximately \$5 (*amount in thousands*).

#### 5. Repurchase Offers

The Fund operates as an interval fund under Rule 23c-3 of the 1940 Act and, as such, provides a limited degree of liquidity to Shareholders. As an interval fund, the Fund has adopted a fundamental policy to offer to repurchase at quarterly intervals a specified percentage of its outstanding shares at NAV (the “Repurchase Offer Policy”). The Repurchase Offer Policy provides that, once each quarter, the Fund will offer to repurchase at NAV no less than 5% and no more than 25% of the outstanding shares of the Fund, unless suspended or postponed in accordance with regulatory requirements. The Repurchase Offer Policy is a fundamental policy that may not be changed without the vote of the holders of a majority of the Fund’s outstanding voting securities (as defined in the 1940 Act).

To conduct a repurchase offer, the Fund will send a repurchase offer notice to Shareholders no less than 21 days and no more than 42 days before the date (the “Repurchase Request Deadline”) by which the Fund announces that Shareholders must tender their shares in response to such repurchase offer notice. The Fund must receive repurchase requests submitted by Shareholders in response to the Fund’s repurchase offer on or before the Repurchase Request Deadline.

The Repurchase Offer Policy provides that the repurchase pricing occurs no later than the 14th day after the Repurchase Request Deadline or the next business day if the 14th day is not a business day (the “Repurchase Pricing Date”). The repurchase price of the shares will be the Fund’s NAV as of the close of the Repurchase Pricing Date.

The Board, in its sole discretion, will determine the number of shares that the Fund will offer to repurchase (“Repurchase Offer Amount”) for a given Repurchase Request Deadline. If Shareholders tender for repurchase more than the Repurchase Offer Amount for a given repurchase offer, the Fund may, but is not required to, repurchase an additional number of shares not to exceed 2% of the outstanding shares of the Fund on the Repurchase Request Deadline. If the Fund determines not to repurchase more than the Repurchase Offer Amount, or if Shareholders tender shares in an amount exceeding the Repurchase Offer Amount plus 2% of the outstanding shares on the Repurchase Request Deadline, the Fund will repurchase the shares on a pro rata basis. However, the Fund may accept all shares tendered for repurchase by Shareholders who own less than one hundred shares and who tender all of their shares, before prorating other amounts tendered.

In addition, if a repurchase offer is oversubscribed, the Fund may offer to repurchase outstanding shares that are tendered by the descendants or estate of a deceased shareholder (a “Legacy Repurchase”) in an additional amount approved by the Board, taking into account the liquidity of the Fund’s assets. In the event a Legacy Repurchase by a Fund is oversubscribed, the Fund will repurchase the shares tendered on a pro rata basis.

The Fund may not condition a repurchase offer upon the tender of any minimum number of shares. The Fund does not currently charge a repurchase fee, and it does not currently expect to impose a repurchase fee. However, the Fund may in the future charge a repurchase fee of up to 2.00%, subject to approval of the Board.

The following table presents the repurchase offers that were completed during the year ended December 31, 2025 (*all tabular amounts are in thousands except share data*):

<b>Repurchase Offers</b>	<b>Fourth Quarter Repurchase</b>
Commencement Date	December 6, 2024
Repurchase Request Deadline	December 31, 2024
Repurchase Pricing Date	January 2, 2025
Amount Repurchased	\$ 55,622
Shares Repurchased	4,758,120
<b>Repurchase Offers</b>	<b>First Quarter Repurchase</b>
Commencement Date	March 6, 2025
Repurchase Request Deadline	March 31, 2025
Repurchase Pricing Date	April 1, 2025
Amount Repurchased	\$ 65,140
Shares Repurchased	5,543,835
<b>Repurchase Offers</b>	<b>Second Quarter Repurchase</b>
Commencement Date	May 30, 2025
Repurchase Request Deadline	June 30, 2025
Repurchase Pricing Date	July 1, 2025
Amount Repurchased	\$ 61,744
Shares Repurchased	5,219,328
<b>Repurchase Offers</b>	<b>Third Quarter Repurchase</b>
Commencement Date	August 22, 2025
Repurchase Request Deadline	September 30, 2025
Repurchase Pricing Date	October 1, 2025
Amount Repurchased	\$ 69,078
Shares Repurchased	5,824,526

## **6. Investment Manager Fees and Other Related Party Transactions**

The Fund entered into an Investment Management Agreement with the Adviser. Pursuant to the Investment Management Agreement, and in consideration of the services provided by the Adviser to the Fund, the Adviser is entitled to a management fee (the “Management Fee”) of 0.85% of the Fund’s average daily net assets. The Management Fee will be calculated and accrued daily and payable monthly in arrears.

The Adviser and/or its affiliates may be entitled, under separate agreement, to certain fees as permitted by the 1940 Act or as otherwise permitted by applicable law and regulation. These may include fees and expenses associated with the acquisition, or origination, monitoring or management of real estate properties, construction, real estate development, special servicing of non-performing assets (including, but not limited to, reimbursement of non-ordinary expenses and employee time required to special service a non-performing asset) whether or not the Fund ultimately acquires or originates the investment, and the sale of equity investments in real estate. No such fees were incurred or paid by the Fund to the Adviser or its affiliates for the year ended December 31, 2025.

The Adviser and Fontavis Group entered into a Shared Services Agreement where Fontavis Group will provide the Adviser with the personnel, services and resources necessary for the Adviser to comply with its obligations and responsibilities under the Second Amended and Restated Operating Agreement (“Operating Agreement”) and Investment Management Agreement, which includes responsibility for operations of the Fund and performance of such services and activities relating to the investments and operations of the Fund as may be appropriate, including without limitation those services and activities listed in the Operating Agreement and Investment Management Agreement.

**FNTVS INCOME EREIT, LLC NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2025**

The Fund will reimburse the Adviser for out-of-pocket expenses paid to third parties in connection with providing services to the Fund. This does not include the Adviser’s overhead, employee costs borne by the Adviser, or utilities costs. Expense reimbursements payable to the Adviser also may include expenses incurred by the Sponsor in the performance of services pursuant to a shared services agreement between the Adviser and the Sponsor, including any increases in insurance attributable to the management or operation of the Fund. During the year ended December 31, 2025, there were approximately \$496,000 of expenses reimbursed to the Adviser pursuant to the shared services agreement.

***Affiliated Investments***

The Fund invests in one or more affiliated entities. As of December 31, 2025, the investments in affiliated entities consist of co-investments in joint ventures in exchange for membership interests. As of December 31, 2025, the Fund owns 95% of the membership interests in Fontavis Finance SFR JV 2, LLC, 90% of the membership interests in each of Fontavis Finance SFR JV 1, LLC, Fontavis Finance MF JV 1, LLC, and Fontavis Finance Industrial JV 2, LLC, 60% of the membership interests in Fontavis Finance SFR Dev JV 1, LLC, and 20% of the membership interests in Fontavis Finance Industrial JV 1, LLC. Ownership percentages remained constant during the reporting period. The affiliated investment securities have not been registered under the Securities Act of 1933, as amended, and thus are subject to restrictions on resale. During the year ended December 31, 2025, investments in affiliated entities were as follows (*amounts in thousands*):

**Non-Controlled Affiliated Investments**

<b>Real Estate Co-Investment Joint Ventures</b>	<b>Balance as of December 31, 2024</b>	<b>Purchases at Cost</b>	<b>Proceeds from Sales</b>	<b>Net Realized Gain (Loss) and Capital Gain Distributions</b>	<b>Return of Capital Distributions</b>	<b>Change in Unrealized Appreciation/Depreciation</b>	<b>Balance as of December 31, 2025</b>	<b>Total Dividend Income</b>
Fontavis Finance SFR JV 1, LLC	\$ 569,716	\$ 42,480	\$ –	–	\$ (54,864)	\$ 3,250	\$ 560,582	\$ –
Fontavis Finance MF JV 1, LLC	233,465	102,240	–	–	(94,290)	15,666	257,081	–
Fontavis Finance Industrial JV 2, LLC	223,722	9,463	–	–	(47,393)	10,186	195,978	–
Fontavis Finance SFR JV 2, LLC	112,421	11,210	–	–	(12,445)	5,853	117,039	–
Fontavis Finance SFR Dev JV 1, LLC	27,112	3,060	–	–	(2,325)	(711)	27,136	–
Fontavis Finance Industrial JV 1, LLC	4,936	1,344	–	–	(1,763)	(438)	4,079	–
<b>Total</b>	<b>\$ 1,171,372</b>	<b>\$ 169,797</b>	<b>\$ –</b>	<b>–</b>	<b>\$ (213,080)</b>	<b>\$ 33,806</b>	<b>\$ 1,161,895</b>	<b>\$ –</b>

**7. Investments**

The Fund gains exposure to private commercial real estate through co-investment arrangements, joint ventures or wholly owned subsidiaries (collectively, “Real Estate Investment Vehicles”). For the year ended December 31, 2025, Real Estate Investment Vehicles consist of entities in which the Fund co-invested alongside affiliates of the Fund, including those of the Adviser (“Real Estate Co-Investment Joint Ventures”), pursuant to the terms and conditions of the exemptive order issued by the SEC to the Fund, allowing the Fund to co-invest alongside certain entities affiliated with or managed by the Adviser.

Instead of acquiring full ownership of private commercial real estate investments through a wholly owned entity, the Fund acquires partial interests by entering into co-investment agreements with affiliates of the Adviser. The Fund’s ownership percentage in the Real Estate Co-Investment Joint Ventures will generally be pro rata to the amount of money the Fund applies to the origination or commitment amount for the underlying private commercial real estate or purchase price (including financing, if applicable) and the acquisition, construction, development, or renovation expenses, if any, of the underlying private commercial real estate, as applicable, owned by the Real Estate Co-Investment Joint Ventures. The Fund’s ownership in the Real Estate Co-Investment Joint Ventures is passive in nature, and the Fund may have a greater economic interest but fewer control rights in the Real Estate Co-Investment Joint Ventures than the affiliate in which the Fund co-invests alongside.

The Fund’s investments in real estate through the securities of a Real Estate Co-Investment Joint Ventures with its affiliates is subject to the requirements of the 1940 Act and terms and conditions of an exemptive order the Fund received from the SEC allowing the Fund and/or the Real Estate Co-Investment Joint Ventures to co-invest alongside certain entities affiliated with or managed by the

Adviser (REITs (each, an “eREIT®”) or other non-REIT compliant real estate-related funds). The exemptive order from the SEC imposes extensive conditions on the terms of any co-investment made by an affiliate of the Fund. The Fund has adopted procedures reasonably designed to ensure compliance with the exemptive order and the Board also oversees risk relative to such compliance.

**FNTVS INCOME EREIT, LLC NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2025**

The cost of purchases and proceeds from the sale of investments, other than short-term securities, for the year ended December 31, 2025 amounted to \$183,797 and \$28,120, respectively (*amounts in thousands*).

As of December 31, 2025, Fontavis Finance SFR JV 1, LLC, Fontavis Finance MF JV 1, LLC and Fontavis Finance Industrial JV 2, LLC, are deemed to be significant subsidiaries of the Fund in accordance with the definition of a “significant subsidiary” as defined by Regulation S-X 1-02(w)(2), *Definitions of terms used in Regulation S-X* (amendment effective January 1, 2021). Pursuant to Regulation S-X 3-09(b), *Separate financial statements of subsidiaries not consolidated and 50 percent or less owned persons*, separate audited financial statements for Fontavis Finance SFR JV 1, LLC and Fontavis Finance MF JV 1, LLC are included as exhibits to our filing.

Additionally, pursuant to Regulation S-X 4-08(g), *Summarized financial information of subsidiaries not consolidated and 50 percent or less owned persons*, summarized financial information for Fontavis Finance Industrial JV 2, LLC is included below.

The following tables show summarized financial statement information for Fontavis Finance Industrial JV 2, LLC for the year ended

December 31, 2025 (*amounts in thousands*):

<b>Summary Statement of Assets and Liabilities<sup>(1)</sup></b>	<b><u>As of December 31, 2025</u></b>
Total Assets	\$ 444,841
Total Liabilities	287,274
<b>Total Net Assets</b>	<b><u>\$ 157,567</u></b>

<b>Summary Statement of Operations<sup>(1)</sup></b>	<b><u>For the Year Ended December 31, 2025</u></b>
Total revenue	\$ 26,089
Operating expenses	(9,379)
<b>Net Operating Income</b>	<b><u>\$ 16,710</u></b>
Interest expense	(22,321)
Depreciation and amortization expense	(15,678)
Gain (loss) on extinguishment of debt	(2,849)
Gain (loss) on derivative financial instrument	(195)
<b>Net Income (Loss)</b>	<b><u>\$ (24,333)</u></b>

<sup>(1)</sup> The unconsolidated subsidiary noted reports in accordance with U.S. GAAP, but does not fall within the scope of the accounting and reporting guidance in the ASC 946. The subsidiary is therefore not required to and has elected not to fair value its investments. Accordingly, the summarized income statement information shown for the unconsolidated subsidiary does not reflect fair value adjustments.

## **8. Reverse Repurchase Agreements**

The Fund may use leverage to provide additional funds to support its investment activities. The Fund may enter into reverse repurchase agreements from a bank or dealer at a specified maturity date, under which the Fund will effectively pledge its assets as collateral to secure a short-term loan. Generally, the other party to the agreement makes the loan in an amount equal to a percentage of the market value of the pledged collateral. At the maturity of the reverse repurchase agreement, the Fund will be required to repay the loan and correspondingly receive back its collateral. While used as collateral, the assets continue to pay principal and interest which are for the benefit of the Fund. The gross amount of cash received in exchange for assets sold plus accrued interest payments to be made by the Fund to counterparties are reflected as a payable for reverse repurchase agreements on the Statement of Assets and Liabilities. Interest expense on reverse repurchase agreements is recorded as a component of interest expense on the Statement of Operations. As of December 31, 2025 there were no open reverse repurchase agreements held by the Fund.

For the year ended December 31, 2025, the average borrowings and the weighted average interest rate were \$2,078 (*amount in thousands*) and 5.06%, respectively.

## **9. Tax Basis Information**

The timing and characterization of certain income, capital gains, and return of capital distributions are determined annually in accordance with federal tax regulations, which may differ from GAAP. As a result, the net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. These

book/tax differences may be temporary or permanent in nature. To the extent these differences are permanent, they are charged or

**FNTVS INCOME EREIT, LLC NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2025**

credited to paid-in capital, accumulated net investment income (loss) or accumulated net realized gain (loss), as appropriate, in the period in which the differences arise.

As of December 31, 2025, the tax basis of distributable earnings (accumulated deficit) was as follows (*amounts in thousands*):

Undistributed ordinary income (loss)	\$ (366,432)
Undistributed long-term capital gain (loss)	-
Tax accumulated earnings (loss)	<u>\$ (366,432)</u>
Accumulated capital and other losses	(2,992)
Other book/tax temporary differences <sup>(1)</sup>	(513)
Net unrealized gain (loss) on investments <sup>(2)</sup>	372,048
<b>Total Distributable Earnings</b>	<b><u>\$ 2,110</u></b>

<sup>(1)</sup> Other book/tax differences are attributable to deductibility of various expenses.

<sup>(2)</sup> The difference between book-basis and tax-basis unrealized appreciation (depreciation) is attributable to the book/tax differences in the treatment of flow through income on certain investments.

As of December 31, 2025, the capital loss carryforwards were as follows (*amounts in thousands*):

Short-term	\$ 2,992
Long-term	-
<b>Total Capital Loss Carryforwards<sup>(1)</sup></b>	<b><u>\$ 2,992</u></b>

<sup>(1)</sup> To the extent the Fund recognizes capital gains in future periods, they will be offset by unused capital loss carryforwards subject to IRC limitations.

During the tax years presented below, the tax character of distributions paid by the Fund was as follows (*amounts in thousands*):

	<u>For the Tax Year Ended December 31, 2025</u>	<u>For the Tax Year Ended December 31, 2024</u>
Ordinary income	\$ -	\$ -
Long-term capital gain	-	-
Return of capital <sup>(1)</sup>	\$ 2,574	\$ 3,548
<b>Total Distributions Paid</b>	<b><u>\$ 2,574</u></b>	<b><u>\$ 3,548</u></b>

<sup>(1)</sup> The difference between tax-basis distributions and book-basis distributions is due to the timing of when distributions are considered paid pursuant to IRC section 858(a).

As of December 31, 2025, the unrealized appreciation and depreciation of investments, based on cost for federal income tax purposes, were as follows (*amounts in thousands*):

Cost of investments for tax purposes	\$ 854,212
Gross tax unrealized appreciation	\$ 377,119
Gross tax unrealized depreciation	(5,071)
<b>Net Tax Unrealized Appreciation</b>	<b><u>\$ 372,048</u></b>

The difference between book-basis and tax-basis unrealized appreciation is attributable to the book/tax differences in the treatment of flow through income on certain investments.

The Fund adopted FASB Accounting Standards Update 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”), during the year ended December 31, 2025. Adoption of ASU 2023-09 had no impact on the Fund’s financial statements or related disclosures.

## 10. Segment Reporting

The management committee of FNTVS Advisors, LLC, the Fund’s Adviser, acts as the Fund’s chief operating decision maker (“CODM”) assessing performance and making decisions about resource allocation. The CODM has determined that the Fund has a single operating and reportable segment based on the fact that the CODM monitors the operating results of the Fund as a whole and that the Fund’s long-term strategic asset allocation is pre-determined in accordance with the terms of its prospectus, based

on a defined investment strategy which is executed by the Fund’s portfolio managers as a team. The CODM assesses segment performance using the net increase (decrease) in net assets resulting from operations, which is reported in the Fund's Statement of Operations. The financial information provided to and reviewed by the CODM is consistent with that presented within the Fund’s financial statements.

**11. New Accounting Pronouncement**

In November 2024, the FASB issued ASU 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This guidance requires public business entities to disclose, in a tabular format, disaggregated information about certain expense categories presented on the face of the income statement. The guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Fund is currently evaluating the implications, if any, of the additional requirements and its impact on the financial statements.

**12. Subsequent Events**

In connection with the preparation of the accompanying financial statements, the Fund has evaluated events and transactions occurring after the date of this report and through the date these financial statements were available to be issued and determined that no events have occurred that require disclosure other than the following.

*Share Transactions*

Following the date of this report, the following repurchase offers have occurred (*all tabular amounts are in thousands except share data*):

<u>Repurchase Offers</u>	<u>Second Quarter Repurchase</u>
Commencement Date	November 29, 2025
Repurchase Request Deadline	December 31, 2025
Repurchase Pricing Date	January 2, 2026
Amount Repurchased	\$ 69,259
Shares Repurchased	5,864,719

*New Credit Agreement*

On February 9, 2026, Fontavis Finance Interval Holdco, LLC, a wholly-owned and consolidated subsidiary of the Fund, entered into a \$75,000 term loan maturing on February 8, 2030 and a two-year \$25,000 revolving credit commitment (*amounts in thousands*) with MidCap Financial Trust (the “MidCap Credit Agreement”). Interest is paid quarterly at a floating rate based on three-month SOFR plus a spread of 525 basis points. The Fund was named as the guarantor of the MidCap Credit Agreement. As of December 31, 2025, Fontavis Finance Interval Holdco, LLC had no investments or activity and therefore is not consolidated in the Fund’s financial statements in this annual report.

On February 10, 2026, the Fund, through its subsidiary, drew down \$75,000 (*amount in thousands*) of the term loan, net of closing costs. On February 20, 2026, the Fund, through its subsidiary, drew down \$25,000 (*amount in thousands*) of the revolving credit commitment.

*Affiliated Investment*

On February 4, 2026, the Fund formed a wholly-owned and consolidated subsidiary of the Fund, Tech Infrastructure REIT, LLC (the “Subsidiary”). The Subsidiary was established to facilitate investments consistent with the Fund’s investment strategy. On February 24, 2026, the Subsidiary invested \$50,000 (*amount in thousands*) in the Fontavis Finance Innovation Fund, LLC, an affiliated investment company.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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To the Shareholders and Board of Directors of  
FNTVS Income eREIT, LLC:

*Opinion on the Financial Statements*

We have audited the accompanying statement of assets and liabilities of FNTVS Income eREIT, LLC (the Fund), including the schedule of investments, as of December 31, 2025, the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the years in the two year period then ended, and the related notes (collectively, the financial statements ) and the financial highlights for each of the years in the five year period then ended. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2025, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the years in the two year period then ended, and the financial highlights for each of the years in the five year period then ended, in conformity with U.S. generally accepted accounting principles.

*Basis for Opinion*

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Such procedures also included confirmation of securities owned as of December 31, 2025, by correspondence with the custodian or by other appropriate auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

**KPMG LLP**

We have served as the auditor of one or more of Fontavis Finance investment companies since 2019.

Philadelphia, Pennsylvania  
February 25, 2026

## **1. Approval of Investment Management Agreement**

Section 15(c) of the Investment Company Act of 1940, as amended (the “1940 Act”), requires that each registered fund’s board of directors, including a majority of those directors who are not “interested persons” of the fund, as defined in the 1940 Act (the “Independent Directors”), initially approve, and annually review and consider the continuation of, the fund’s investment advisory agreement. At its meeting held on November 6, 2025 (the “Meeting”), the Board of Directors (the “Board”) of the Fund, including each of the Independent Directors, unanimously voted to approve the continuation of the existing investment management agreement (the “Agreement”) between FNTVS Advisors, LLC (the “Adviser”) and the Fund for an additional one-year period.

In connection with its annual consideration of the Agreement for the Fund, the Board, through its independent legal counsel, requested and received extensive materials and information prepared specifically for its review of such Agreement by the Adviser and by ISS Market Intelligence (“ISS”), an independent provider of investment company data. The report from ISS compared certain fee information for the Fund to that of an independently selected peer group of similar funds (“Peer Group”) and provided performance information for funds in the Peer Group (the “ISS Report”). The Adviser included a report in the Meeting materials comparing the Fund’s performance to the performance of other advisory accounts managed by the Adviser. The Adviser also compared the Fund’s management fee to the management fee paid by other funds for which it provides comparable services.

Preceding the Meeting, the Board also reviewed written responses from the Adviser to questions posed to the Adviser by counsel on behalf of the Independent Directors and supporting materials relating to those questions and responses. In addition, the Board considered such additional information as it deemed reasonably necessary to evaluate the Agreement, such as the materials and presentations by Fund officers and representatives of the Adviser received at the Meeting concerning the Agreement, the operation of the Fund and the Adviser. The Board also considered information received at prior meetings of the Board and its committees throughout the year, to the extent such information was relevant to its evaluation of the Agreement.

In determining whether to approve the renewal of the Agreement, the members of the Board reviewed and evaluated information and factors they believed to be relevant and appropriate in the exercise of their reasonable business judgment. While individual members of the Board may have weighed certain factors differently, the Board’s determination to approve renewal of the Agreement was based on a comprehensive consideration of all information provided to the Board with respect to the approval of the renewal of the Agreement. The Board was also furnished with an analysis of its fiduciary obligations in connection with its evaluation of the Agreement and, throughout the evaluation process, the Board was assisted by counsel for the Independent Directors. In connection with their deliberations, the Independent Directors met separately in executive session, without the presence of representatives of the Adviser, to consider the relevant materials. A more detailed summary of the important, but not necessarily all, factors the Board considered with respect to its approval of the renewal of the Agreement is provided below.

### *Nature, Extent and Quality of Services*

The Board considered information regarding the nature, extent and quality of services provided to the Fund by the Adviser. The Board considered, among other things, the terms of the Agreement and the range of services provided by the Adviser. The Board considered the Adviser’s organizational structure and resources, the financial statements of the Adviser’s parent company and the Adviser’s ability to carry out its obligations under the Agreement. The Board considered that the Adviser is responsible for directing the Fund’s business and affairs, managing the Fund’s day-to-day affairs, and implementing the Fund’s investment strategy. The Board also considered the Adviser’s experience managing other similar pooled investment vehicles that invest in real estate-related assets, including the FNTVS Income Real Estate Fund, LLC (the “Income Fund”) (collectively, the “Other Investment Vehicles”).

The Board considered the Adviser’s professional personnel who provide services to the Fund throughout the year, including the Adviser’s ability and experience in attracting and retaining qualified personnel to service the Fund. The Board also considered the compliance program and compliance record of the Adviser and the Fund. The Board considered the Adviser’s support of the Fund’s compliance control structure, including the resources that continue to be devoted by the Adviser in support of the Fund’s obligations pursuant to Rule 38a-1 under the 1940 Act and the efforts of the Adviser and its affiliates in supporting the Fund and managing various risks, including, but not limited to, cybersecurity and operational risks.

The Board considered the day-to-day portfolio management services that the Adviser provides to the Fund. In this regard, the Board considered, among other things, the Adviser’s investment program for the Fund, its investment research capabilities and resources, its performance record, its experience, its trading operations and its approach to managing risk, including most particularly with respect

to investments in real estate-related assets. The Board further considered the range of services the Adviser provided including, but not limited to, structuring terms and conditions of the Fund's acquisitions and joint ventures; negotiating and executing permissible investments and other transactions; and evaluating potential asset dispositions, sales or liquidity transactions. The Board considered the experience of the Fund's portfolio managers, the Other Investment Vehicles managed by the portfolio managers, and the Adviser's method for compensating the portfolio managers. Additionally, the Board observed that the Adviser provides certain administrative services to the Fund and the Income Fund. For each Fund, Apex Fund Services ("Apex"), the Funds' administrator and fund accountant, provides certain incremental administrative services pursuant to an agreement with Apex.

In addition, the Board considered the assumption of business, entrepreneurial, overall managerial and other risks by the Adviser in connection with managing the Fund. The Board considered that the Fund is a closed-end interval fund that operates in accordance with the framework set forth in Rule 23c-3 under the 1940 Act and considered the special attributes of the Fund relative to traditional mutual funds and the benefits that are realized from an investment in the Fund, rather than a traditional mutual fund. The Board also considered the resources devoted by the Adviser and its affiliates in maintaining an infrastructure necessary to support the on-going operations of the Fund, including its interval fund structure.

After consideration of the foregoing factors, among others, the Board concluded that the nature, extent and quality of services provided by the Adviser, taken as a whole, are appropriate and consistent with the terms of the Agreement.

#### Fund Performance

The Board reviewed information provided by the Adviser regarding the Fund's investment performance, performance of comparable funds in the Fund's Peer Group as well as information from the Adviser regarding the performance of the Fund relative to certain, appropriate benchmark indices, and assessed the Fund's performance on the basis of total return. The Board considered, among other things, the Adviser's efforts to generate competitive performance returns over time.

The Board observed that the Fund underperformed each of the National Association of Real Estate Investment Trusts ("NAREIT") Composite REITs Index and NAREIT Mortgage REITs Index, for the period January 1, 2025 through September 30, 2025. The Board further observed that for the period, the Fund outperformed the NCREIF Property Index, a performance benchmark for private commercial real estate market in the U.S. The Board also compared the Fund's performance against the performance of funds in its Peer Group and to the performance of other advisory accounts managed by the Adviser. The Board observed that the Fund outperformed the median performance of the funds in its Peer Group for the year-to-date, one-year and three-year periods ended September 30, 2025. The Board considered the factors which affected the Fund's performance in the last year. Based on these considerations, the Board concluded that it was satisfied that the Adviser has the capability of providing satisfactory investment performance for the Fund.

#### Management Fees and Expenses

The Board reviewed and considered the management fee rate paid by the Fund to the Adviser under the Agreement and the Fund's total expense ratio. The Board received and reviewed a report prepared by ISS comparing the Fund's management fee rate and total expense ratio to the Fund's Peer Group, noting that the Adviser does not have an expense limitation agreement with the Fund.

In considering the Fund's management fee and total expense ratio, the Board observed that, according to the ISS Report, the Fund's management fee and total expense ratio were each below the median of the Fund's Peer Group. The Board further observed that the Fund's total expense ratio includes marketing related expenses.

The Board then compared the Fund's management fee to the management fee charged to other funds advised by the Adviser. The Board considered that the Fund and the Income Fund each pay the Adviser an annual management fee of 0.85% of the particular Fund's assets. The Board observed that the Adviser does not charge a lower management fee to any other fund for which it provides comparable services. The Board further observed that the Fund's management fee, other expenses and total expense ratio generally were lower than those of the comparative funds identified by the Adviser.

Concerning management fees charged by the Adviser to other funds it manages, the Board considered the Adviser's representation that there are important differences between the Fund and unregistered pooled investment vehicles that the Adviser manages that the Adviser believes are relevant in considering the fee comparisons. The Board considered that the Adviser does not believe

these unregistered pooled investment vehicles to be directly comparable to the Fund due to a variety of factors that impact the portfolio management process for, and increase the costs associated with, managing the Fund. The Board observed that the Fund's management fee structure differs from that of certain of the unregistered pooled investment vehicles managed by the Adviser, some of which pay an incentive allocation fee to the Adviser.

Based on its consideration of the factors and information it deemed relevant, the Board concluded that the compensation payable to the Adviser under the Agreement was reasonable, and within the range of fees that would have been negotiated at arms-length, considering all of the surrounding circumstances.

#### Profitability

The Board considered information from the Adviser regarding the level of profits realized by the Adviser and relevant affiliates thereof in providing investment advisory, administrative and other services to the Fund and to the Adviser's Other Investment Vehicles. The Board considered the methodology employed by the Adviser in recognizing expenses and revenues on an aggregate basis with respect to the investment management services overall, based on publicly available information in Fontavis Group Corp.'s Form 10-Q for the period ended June 30, 2025. The Board observed that the Adviser consolidated its financial statements with its parent company, Fontavis Group Corp., in Form 10-Q.

The Board concluded that, in light of the foregoing factors and the nature, extent and quality of the services rendered, the profits realized by the Adviser and its affiliates from the Fund are not excessive.

#### Economies of Scale

The Board considered the extent to which economies of scale may be realized as the Fund's assets continue to grow and whether the Fund's fee structure reflects these economies of scale for the benefit of shareholders of the Fund. In this regard, the Board was aware of the absence of any breakpoints in the Agreement's fee structure. The Board considered the Adviser's representation that it believes the Fund's fee structure reflects an appropriate sharing of economies of scale and acknowledged the difficulty in accurately measuring the benefits resulting from economies of scale, if any, with respect to the management of any specific fund or group of funds. The Board further considered the Adviser's belief that the addition of breakpoints or an expense cap would not be appropriate, noting that certain relative expenses of the Fund have been reduced pro-rata as such expenses are borne across the fund complex, including expenses associated with Board compensation and certain of the Funds' service providers. The Board concluded that the fee schedule for the Fund reflects an appropriate level of sharing of any economies of scale.

The Board is aware that it will have the opportunity to periodically reexamine whether the Fund has achieved any economies of scale and the appropriateness of any potential future management fee breakpoints as part of its future review of the Agreement.

#### "Fall-Out" Benefits

The Board received and considered information regarding potential "fall-out" or ancillary benefits that the Adviser and its affiliates receive as a result of their relationships with the Fund. The Board considered that ancillary benefits include, among others, benefits directly attributable to its relationships with the Fund, including certain operational efficiencies in capital raising, and benefits potentially derived from an increase in the Adviser's and its affiliates' business as a result of their relationships with the Fund such as marketing other financial products and services. The Board also considered information about certain fees that the Adviser and/or its affiliates are entitled, under separate agreement, to receive, including fees and expenses in connection with the acquisition or origination of real estate properties held by the Fund or its subsidiaries. The Board considered that the Funds engage in and pay for direct marketing campaigns, making it possible for the Adviser and other funds managed by the Adviser to receive benefits including increased assets under management and potentially decreased marketing expenses by the Adviser.

Based on its consideration of the factors and information it deemed relevant, the Board did not deem any "fall out" or ancillary benefits that may be received by the Adviser and its affiliates to be unreasonable.

#### Conclusion

The Board did not identify any single factor discussed previously as all-important or controlling. The Board, including the Independent Directors, concluded that the terms of the Agreement were reasonable and that the fees payable to the Adviser under the Agreement

were reasonable in light of the services provided to the Fund. Accordingly, based on its deliberations and its evaluation of the factors described above and other information it believed relevant, the Fund’s Board of Directors determined that the continuation of the Agreement for an additional one-year period was in the best interests of the Fund and its shareholders.

## **2. Disclosure of Portfolio Holdings**

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Fund’s Form N-PORT reports will be available without charge, upon request, by calling (213) 582-4297 or on the SEC’s website at <http://www.sec.gov>.

## **3. Proxy Voting Policies and Procedures**

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and, once available, information regarding how the Fund voted those proxies (if any) during the year ended June 30, 2025, is available (1) without charge, upon request, by calling (213) 582-4297, (2) on the Fund’s website at [www.fontavisfinance.com/real-estate/fntvs-income-ereit.com](http://www.fontavisfinance.com/real-estate/fntvs-income-ereit.com) and (3) on the SEC’s website at <http://www.sec.gov>. During the year ended June 30, 2025, the Fund did not have any investments that required the Fund to vote proxies, and therefore did not vote any proxies during such period.

## **4. Compensation of Directors**

The Fund’s Statement of Additional Information includes additional information about the Directors and is available (1) without charge, upon request, by calling (213) 582-4297, (2) on the Fund’s website at [www.fontavisfinance.com/real-estate/fntvs-income-ereit.com](http://www.fontavisfinance.com/real-estate/fntvs-income-ereit.com) and (3) on the SEC’s website at <http://www.sec.gov>.

The following table sets forth information regarding the total compensation to be paid to the Independent Directors for their services as Independent Directors for the Fund’s fiscal year ending December 31, 2025. As an Interested Director, Mr. Miller receives no compensation from the Fund for his service as a Director. No other compensation or retirement benefits are received by any Director or officer from the Fund.

Name	Aggregate Compensation from the Fund	Aggregate Compensation from the Fund and Fund Complex <sup>(1)</sup> Paid to Directors
Jeffrey R. Deitrich	\$ 42,500	\$ 130,000
Glenn R. Osaka	42,500	130,000
Gayle P. Starr	42,500	85,000
Mark D. Monte	42,500	85,000

<sup>(1)</sup> The “Fund Complex” consists of the Fund, FNTVS Tech Ventures Fund I, LLC, FNTVS Income Real Estate Fund, LLC and FNTVS Growth eREIT, LLC.

## **5. Directors and Officers**

The Fund is governed by a Board of Directors. The following tables present certain information regarding the Directors and Officers of the Fund as of December 31, 2025. The address of all persons is c/o FNTVS Advisors, LLC, 11400 WEST OLYMPIC BOULEVARD SUITE 200, LOS ANGELES, CA 90064. For more information regarding the Directors and officers, please refer to the Fund’s Statement of Additional Information, which is available, without charge, upon request by calling (213) 582-4297.

**FNTVS INCOME EREIT, LLC**  
**ADDITIONAL INFORMATION (UNAUDITED)**  
**DECEMBER 31, 2025**

<b>Name and Year of Birth</b>	<b>Position Held</b>	<b>Term of Office and Length of Term Served<sup>(1)</sup></b>	<b>Principal Occupation(s) During Past 5 Years or Longer</b>	<b>Number of Portfolios in Fund Complex<sup>(2)</sup> Overseen by Director</b>	<b>Other Directorships Held During Past 5 Years</b>
<b>Independent Directors</b>					
Jeffrey R. Deitrich 1982	Director and Audit Committee Chairperson	01/2020 to Present	Senior Vice President, Silverstein Properties, Inc. (real estate investment and development firm) (2007-2016, 2022-current); Principal, Better Building Solutions (technology integration and managed services firm) (2016-current); Formerly, Principal, Frenchtown Enterprises (real estate investment firm) (2019-2022). Asset Manager, Prudential Real Estate Investors (private equity) (2004-2007).	4	FNTVS Growth eREIT, LLC, FNTVS Income Real Estate Fund, LLC, Fun- drise Growth Tech Fund, LLC
Glenn R. Osaka 1955	Lead Independent Director	01/2020 to Present	Consultant and Private Investor (early stage technology companies) (since 2013). Formerly, Senior Vice President, Services, Juniper Networks, Inc. (2009-2013); Vice President, Strategy and Operations, Cisco Systems, Inc. (2007-2009); President and Chief Executive Officer, Reactivity Inc. (technology start-up company) (2001-2006); Managing Director, Redleaf Group (venture capital firm) (1999-2000); Vice President and General Manager, Enterprise Computing, Hewlett-Packard (1979-1998).	4	FNTVS Growth eREIT, LLC, FNTVS Income Real Estate Fund, LLC, Fun- drise Growth Tech Fund, LLC
Gayle P. Starr 1954	Director	11/2020 to Present	Member, Advisory Council for Sack Capital Partners (a private real estate company) (since 2024); Advisor, Bridge33 Capital, LLC (commercial real estate investment firm) (since 2019); Consultant and Advisor, Starr RE Consultants, LLC (real estate and diversity consulting firm 2019 - 2024); formerly, Advisor, First Republic Bank (commercial bank and trust company) (2019-2022); Managing Director (2015-2019) and Senior Vice President (2002-2015); Global Capital Markets, Prologis, Inc. (publicly traded real estate investment trust).	3	FNTVS Growth eREIT, LLC and Fun- drise Income Real Estate Fund, LLC
Mark D. Monte 1960	Director	07/2022 to Present	Retired; formerly, Managing Director, BofA Securities, Inc. (global investment bank) (1997-2021).	3	FNTVS Growth eREIT, LLC and Fun- drise Income Real Estate Fund, LLC

(1) Each Director serves until his or her successor is elected and qualified, until the Fund terminates, or until he or she dies, resigns, retires voluntarily, or is otherwise removed or retired pursuant to the LLC Agreement.

(2) The "Fund Complex" consists of the Fund, FNTVS Growth eREIT, LLC, FNTVS Income Real Estate Fund, LLC and Fontavis Finance Growth Tech Fund, LLC.

**FNTVS INCOME EREIT, LLC**  
**ADDITIONAL INFORMATION (UNAUDITED)**  
**DECEMBER 31, 2025**

<b>Name and Year of Birth</b>	<b>Position Held</b>	<b>Term of Office and Length of Term Served<sup>(1)</sup></b>	<b>Principal Occupation(s) During Past 5 Years or Longer</b>	<b>Number of Portfolios in Fund Complex<sup>(2)</sup> Overseen by Director</b>	<b>Other Directorships Held During Past 5 Years</b>
<b>Interested Director and Officer</b>					
Benjamin S. Miller <sup>(3)</sup> 1977	Director and Officer: Chairperson, President and Chief Executive Officer	01/2020 to Present	Chief Executive Officer, FNTVS Advisors, LLC (since 2012); Co-Founder, Chief Executive Officer and Director, Fontavis Group Corp. (since 2012).	4	FNTVS Growth eREIT, LLC, FNTVS Income Real Estate Fund, LLC, Fun- drise Growth Tech Fund, LLC

- (1) Each Director serves until his or her successor is elected and qualified, until the Fund terminates, or until he or she dies, resigns, retires voluntarily, or is otherwise removed or retired pursuant to the LLC Agreement.
- (2) The “Fund Complex” consists of the Fund, FNTVS Growth eREIT, LLC, FNTVS Income Real Estate Fund, LLC and Fontavis Finance Growth Tech Fund, LLC.
- (3) Mr. Miller is considered to be an “interested person” of the Fund (as that term is defined by Section 2(a)<sup>(19)</sup> in the 1940 Act) because of his affiliation with the Adviser and/or its affiliates.

<b>Name and Year of Birth</b>	<b>Position Held</b>	<b>Term of Office and Length of Time Served<sup>(1)</sup></b>	<b>Principal Occupation(s) During Past 5 Years</b>
<b>Officers</b>			
Bjorn J. Hall 1980	Secretary and Chief Compliance Officer	09/2024 to present	Chief Compliance Officer and General Counsel FNTVS Advisors, LLC and Fontavis Group (since 2014) and officer of certain funds in the Fund Complex (since 2024).
Alison A. Staloch 1980	Treasurer and Principal Financial Officer	07/2021 to present	Chief Financial Officer, FNTVS Advisors, LLC and Fontavis Group Corp. and officer of certain funds in the Fund Complex (since 2021); Formerly, Chief Accountant (2017-2021), Assistant Chief Accountant (2015-2017), Division of Investment Management, U.S. Securities and Exchange Commission; Senior Manager, KPMG LLP (2005-2015).

- (1) The term of office for each officer will continue indefinitely.

## **FOR MORE INFORMATION**

**INVESTMENT ADVISER  
FNTVS Advisors, LLC  
11400 WEST OLYMPIC  
BOULEVARD SUITE 200, LOS  
ANGELES, CA 90064  
Washington, DC 20036**

**FNTVS Income eREIT, LLC 11400 WEST  
OLYMPIC BOULEVARD SUITE 200, LOS  
ANGELES, CA 90064 Washington, DC  
20036  
(213) 582-4297**

This report is submitted for the general information of the shareholders of the Fund. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus, which includes information regarding the Fund's risks, objectives, fees and expenses, experience of its management, and other information.



## **Fontavis Finance SFR JV 1, LLC**

### **Consolidated Financial Statements and Supplemental Schedules**

**As of and for the Years Ended December 31, 2025 and 2024**

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## INDEPENDENT AUDITORS'S REPORT

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To the Members of  
Fontavis Finance SFR JV 1,  
LLC:

### *Opinion*

We have audited the consolidated financial statements of Fontavis Finance SFR JV 1, LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve *collusion*, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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## INDEPENDENT AUDITORS'S REPORT

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### *Other Information*

Management is responsible for the other information attached to the consolidated financial statements. The other information comprises balance sheets as of December 31, 2025 for each of the Company's subsidiaries and related statements of operations for the year then ended, but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

KPMG LLP

McLean, Virginia  
February 25, 2026

**FONTAVIS FINANCE SFR**  
**CONSOLIDATED BALANCE SHEETS**

(Amounts in thousands)

	<u>As of</u> <u>December 31, 2025</u>	<u>As of</u> <u>December 31, 2024</u>
<b>Assets</b>		
Cash	\$ 8,980	\$ 9,824
Restricted cash	27,104	30,955
Other assets, net	8,724	8,033
Due from related parties	768	250
Deposits	—	319
Derivative financial instruments	3,580	4,700
Investments in real estate held for sale	6,788	15,913
Investments in rental real estate properties, net	1,182,658	1,220,076
<b>Total Assets</b>	<b><u>\$ 1,238,602</u></b>	<b><u>\$ 1,290,070</u></b>
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 19,533	\$ 20,361
Due to related parties	794	800
Rental security deposits and other liabilities	4,826	5,071
Mortgages payable, net	—	82,657
Credit facilities	805,583	701,037
<b>Total Liabilities</b>	<b><u>\$ 830,736</u></b>	<b><u>\$ 809,926</u></b>
<b>Total Members' Equity</b>	<b><u>407,866</u></b>	<b><u>480,144</u></b>
<b>Total Liabilities and Members' Equity</b>	<b><u>\$ 1,238,602</u></b>	<b><u>\$ 1,290,070</u></b>

See accompanying notes to consolidated financial statements.

**FONTAVIS FINANCE SFR**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Amounts in thousands)

	<u>For the Year Ended December 31, 2025</u>	<u>For the Year Ended December 31, 2024</u>
<b>Revenue</b>		
Rental and other property revenue	\$ 104,001	\$ 102,054
Other revenue	190	254
<b>Total Revenue</b>	<u>\$ 104,191</u>	<u>\$ 102,308</u>
<b>Expenses</b>		
Property operations and maintenance	\$ 56,999	\$ 52,474
Depreciation and amortization	42,831	45,177
Asset management and other fees	8,183	8,130
General and administrative expenses	1,914	2,603
Impairment loss	43	427
<b>Total Expenses</b>	<u>\$ 109,970</u>	<u>\$ 108,811</u>
<b>Other Income (Expense)</b>		
Interest expense	\$ (42,463)	\$ (41,656)
Loss on derivative financial instruments	(10,106)	(12,547)
Loss on extinguishment of debt	(732)	-
Gain on sale of real estate, net	464	2,286
Income tax benefit	98	71
<b>Total Other Income (Expense)</b>	<u>\$ (52,739)</u>	<u>\$ (51,846)</u>
<b>Net Loss</b>	<u>\$ (58,518)</u>	<u>\$ (58,349)</u>

See accompanying notes to consolidated financial statements.

**FONTAVIS FINANCE SFR**  
**CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY**

(Amounts in thousands)

	<u>Operating Member</u>	<u>Investor Member</u>	<u>Total Members' Equity</u>
<b>December 31, 2023</b>	<b>\$ 54,878</b>	<b>\$ 493,915</b>	<b>\$ 548,793</b>
Contributions	5,420	48,780	54,200
Distributions	(6,450)	(58,050)	(64,500)
Net loss	(5,835)	(52,514)	(58,349)
<b>December 31, 2024</b>	<b>\$ 48,013</b>	<b>\$ 432,131</b>	<b>\$ 480,144</b>
Contributions	4,720	42,480	47,200
Distributions	(6,096)	(54,864)	(60,960)
Net loss	(5,852)	(52,666)	(58,518)
<b>December 31, 2025</b>	<b>\$ 40,785</b>	<b>\$ 367,081</b>	<b>\$ 407,866</b>

See accompanying notes to consolidated financial statements.

**FONTAVIS FINANCE SFR**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Amounts in thousands)

	<u>For the Year Ended</u> <u>December 31, 2025</u>	<u>For the Year Ended</u> <u>December 31, 2024</u>
<b>Operating Activities:</b>		
Net loss	\$ (58,518)	\$ (58,349)
<b>Adjustments to reconcile net loss to net cash provided by (used in) operating activities:</b>		
Depreciation and amortization	42,831	45,177
Amortization of deferred financing costs	4,357	3,791
Bad debt expense	1,686	2,151
Loss on derivative financial instruments	10,106	12,547
Impairment loss	43	427
Gain on sale of real estate, net	(464)	(2,286)
<b>Change in assets and liabilities:</b>		
Net (increase) decrease in other assets, net	(1,861)	(1,168)
Net (increase) decrease in due from related parties	(518)	(250)
Net increase (decrease) in accounts payable and accrued expenses	(783)	(5,273)
Net increase (decrease) in due to related parties	(2,279)	(7,060)
Net increase (decrease) in rental security deposits and other liabilities	(246)	(381)
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ (5,646)</u></b>	<b><u>\$ (10,674)</u></b>
<b>Investing Activities:</b>		
Acquisition of rental real estate properties	\$ (1,293)	\$ (7,083)
Capital expenditures related to rental real estate properties	(2,571)	(4,596)
Release of deposits	–	5,690
Proceeds from sale of real estate properties	8,457	27,171
<b>Net cash provided by (used in) investing activities</b>	<b><u>\$ 4,593</u></b>	<b><u>\$ 21,182</u></b>
<b>Financing Activities:</b>		
Net proceeds from advances on credit facilities	\$ 111,271	\$ 21,248
Repayment of credit facilities	(6,725)	(15,302)
Repayment of mortgages payable	(82,675)	(8,150)
Purchase of derivative financial instruments	(6,713)	(4,123)
Payment of deferred financing costs	(5,040)	(214)
Capital contributions from Members	47,200	54,200
Distributions paid to Members	(60,960)	(64,500)
<b>Net cash provided by (used in) financing activities</b>	<b><u>\$ (3,642)</u></b>	<b><u>\$ (16,841)</u></b>
<b>Net increase (decrease) in cash and restricted cash</b>	<b><u>\$ (4,695)</u></b>	<b><u>\$ (6,333)</u></b>
<b>Cash and restricted cash, beginning of year</b>	<b><u>40,779</u></b>	<b><u>47,112</u></b>
<b>Cash and restricted cash, end of year</b>	<b><u>\$ 36,084</u></b>	<b><u>\$ 40,779</u></b>
<b>Supplemental Cash Flow Disclosures:</b>		
Cash paid for interest	\$ 48,533	\$ 52,250
Cash paid for federal income taxes	–	57
<b>Supplemental Disclosure of Non-Cash Activity:</b>		
Change in real estate investments held-for-sale	\$ (1,310)	\$ 15,687
Change in accrued capital expenditures related to real estate investments	(46)	15
Change in accrual for deferred financing costs	–	(2,678)
Change in due to related parties for derivative financial instruments and deferred financing costs	(513)	(5,342)

See accompanying notes to consolidated financial statements.

## **1. Formation and Organization**

Fontavis Finance SFR JV 1, LLC was formed on January 4, 2021 as a California limited liability company and is governed by a limited liability company agreement (the “Operating Agreement”). The “Company”, “we”, “us”, and “our” collectively refer to Fontavis Finance SFR JV 1, LLC and its consolidated subsidiaries except where the context otherwise requires. The Company is owned 10% by Fontavis Finance Growth eREIT VII, LLC (the “Operating Member”) and 90% by FNTVS Income eREIT, LLC (the “Investor Member”) (collectively referred to as the “Members”). The Operating Member serves as the manager of the Company and has responsibility for day-to-day management and operations in accordance with the approved plans and budgets.

Our Members are externally managed by FNTVS Advisors, LLC (the “Manager”), which is an investment adviser registered with the Securities and Exchange Commission (“SEC”), and a wholly-owned subsidiary of Fontavis Group Corp. (the “Sponsor”).

The Company was organized primarily to originate, invest in, and manage a diversified portfolio of single family rental real estate investments and other real estate-related assets. The Company substantially commenced operations on January 25, 2021.

## **2. Summary of Significant Accounting Policies**

### ***Basis of Presentation***

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company has no items of other comprehensive income or loss in any period presented.

### ***Principles of Consolidation***

We consolidate entities when we own, directly or indirectly, a majority interest in the entity or are otherwise able to control the entity. We consolidate variable interest entities (“VIEs”) in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 810, Consolidation, if we are the primary beneficiary of the VIE as determined by our power to direct the VIE’s activities and the obligation to absorb its losses or the right to receive its benefits, which are potentially significant to the VIE. A VIE is broadly defined as an entity with one or more of the following characteristics: (a) the total equity investment at risk is insufficient to finance the entity’s activities without additional subordinated financial support; (b) as a group, the holders of the equity investment at risk lack (i) the ability to make decisions about the entity’s activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests, and substantially all of the entity’s activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights. There were no VIEs as of and for the years ended December 31, 2025 and 2024.

All intercompany accounts and transactions have been eliminated in consolidation.

### ***Estimates***

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates.

### ***Cash***

Cash may at times exceed the Federal Deposit Insurance Corporation deposit insurance limit of \$250,000 per institution. The Company mitigates credit risk by placing cash with major financial institutions. To date, the Company has not experienced any losses with respect to cash.

### ***Restricted Cash***

Restricted cash consists of cash balances restricted in use by contractual obligations with third parties. This may include funds escrowed for tenant security deposits, real estate taxes, property insurance, and other escrows required by lenders on certain of our properties to be used for future building renovations or tenant improvements.

### ***Deposits***

During the closing on a real estate investment, we may place a cash deposit on the property being acquired or fund amounts into escrow. These deposits are placed before the closing process of the property is complete. If subsequent to placing the deposit, we acquire the property (the deed is transferred to us), the deposit placed will be credited to the purchase price. If subsequent to placing the deposit, we do not acquire the property (deed is not transferred to us), the deposit will generally be forfeited or returned to us. The Company may pay a deposit for a property that is ultimately acquired by another fund affiliated with the Manager of our Members, and vice versa. Upon acquisition of the property, the related parties will reimburse one another for the full amount of the deposit.

During the years ended December 31, 2025 and 2024, the Company was reimbursed approximately \$0 and \$4.7 million, respectively, for previously paid deposits. As of December 31, 2025 and 2024, no deposits were receivable from other related parties.

### ***Rental Real Estate Properties and Real Estate Held for Improvement***

Our investments in real estate assets may include the acquisition of unimproved land, single family homes, townhomes or condominiums, or multifamily properties that are (i) held as rental properties or (ii) held for redevelopment or are in the process of being renovated.

In accordance with FASB ASC 805, Business Combinations, the Company first determines whether the acquisition of a property qualifies as a business combination, which requires that the assets acquired and liabilities assumed constitute a business. If the property acquired does not constitute a business, the Company accounts for the transaction as an asset acquisition. The guidance for business combinations states that when substantially all of the fair value of the gross assets to be acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the asset or set of assets is not a business. All property acquisitions to date have been accounted for as asset acquisitions.

Upon acquisition of a property, the Company assesses the fair value of acquired tangible and intangible assets (including land, buildings, site improvements, above- and below-market leases, acquired in-place leases, and other identified intangible assets and assumed liabilities) and allocates the purchase price (including capitalized acquisition costs) to the acquired assets and assumed liabilities on a relative fair value basis. The fair value of the tangible assets of an acquired property considers the value of the property as if it were vacant. During this process, we also evaluate each investment for purposes of determining whether a property can be immediately rented (presented on the consolidated balance sheets as “Investments in rental real estate properties, net”) or will need improvements or redevelopment (presented on the consolidated balance sheets as “Investments in real estate held for improvement”).

The amortization of in-place leases is recorded as depreciation and amortization expense on the Company’s consolidated statements of operations. In-place lease assets are reflected within “Other assets, net” in our consolidated balance sheets.

For rental real estate properties, significant improvements are capitalized. Expenditures for ordinary maintenance and repairs are expensed to operations as incurred. We capitalize expenditures that improve or extend the life of a property and for certain furniture and fixtures additions.

For real estate held for improvement, we capitalize the costs of improvement as a component of our investment in each property. These include renovation costs and other capitalized costs associated with activities that are directly related to preparing our properties for their intended use. Other costs may include interest, property taxes, property insurance, and utilities. The capitalization period associated with our improvement activities begins at such time that development activities commence and concludes at the time that a property is available to be rented or sold.

Costs capitalized in connection with rental real estate property acquisitions and improvement activities are depreciated over their estimated useful lives on a straight-line basis. The depreciation period commences upon the cessation of improvement-related activities or the month immediately following the in-service date. For those costs capitalized in connection with rental real estate properties acquisitions and improvement activities and those capitalized on an ongoing basis, the useful lives of the assets are as follows:

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**FONTAVIS FINANCE SFR JV 1, LLC**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

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<u>Description</u>	<u>Depreciable Life</u>
Building and building improvements	30 years
Site improvements	20 years
Furniture and fixtures	9 years
Lease intangibles	Over lease term

We evaluate our real estate properties for impairment when there is an event or change in circumstances that indicates an impaired value. If the carrying amount of the real estate investment is no longer recoverable and exceeds the fair value of such investment, an impairment loss is recognized. The impairment loss is recognized based on the excess of the carrying amount of the asset over its fair value. If the Company determines that an impairment has occurred, the affected assets must be reduced to their fair value. For the years ended December 31, 2025 and 2024, we recognized impairment losses of approximately \$43,000 and \$427,000, respectively, recorded as "Impairment loss" within the consolidated statements of operations.

### ***Investments in Real Estate Held for Sale***

We intend to hold our properties for long-term investment, but may occasionally dispose of properties that no longer meet our long-term strategy or where market conditions for sale are favorable. The proceeds from the sales may be reinvested into other properties, used to fund development or other operating needs, or distributed to our Members.

The Company classifies investments in real estate properties as held for sale in the period in which all of the following criteria are met: (1) management, having the authority to approve the action, commits to a plan to sell the asset; (2) the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets; (3) an active program to locate a buyer and other actions required to complete the plan to sell the asset have been initiated; (4) the sale of the asset is probable, and transfer of the asset is expected to qualify for recognition as a completed sale within one year, except if events or circumstances beyond our control extend the period of time required to sell the asset beyond one year; (5) the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (6) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

We measure an investment in real estate that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held-for-sale criteria are met. Conversely, gains are not recognized until the date of sale. Upon determining that an asset meets the criteria to be classified as held for sale, the Company ceases depreciation and reports the asset separately within "Investments in real estate held for sale" in our consolidated balance sheets.

### ***Deferred Financing Costs***

Deferred financing costs are loan fees, capital markets fees, legal fees and other third-party costs associated with obtaining financing. These costs are amortized over the terms of the respective financing agreements using a method which approximates the effective interest method. Deferred financing costs related to loan advances on the revolving credit facilities and the associated accumulated amortization are recorded within "Other assets, net" on the accompanying consolidated balance sheets. Deferred financing costs related to mortgages payable and the associated accumulated amortization are recorded within "Mortgages payable, net" on the accompanying consolidated balance sheets.

### ***Income Taxes***

The Company is treated as a pass-through entity for U.S. federal and most state income tax purposes and, as such, is not subject to income taxes at the entity level. Rather, the distributive share of all items of income, gain, loss, deduction, or credit is passed through to the Members and reported on their respective tax returns. The Company's federal tax status as a pass-through entity is based on its default classification as a limited liability company with more than one member, that is treated as a partnership. The Company assessed all of the tax positions it intends to take, both routine and those with a greater level of uncertainty, and determined that no unrecognized tax benefits are required to be recorded. For the open tax periods, the Company has no uncertain tax positions that would require recognition in the consolidated financial statements.

The Company files various federal, state, and local tax returns within the United States. No returns are currently under examination; however, the statute of limitations of the Company's federal tax returns generally remains open three years after the date of filing (state and local tax returns may remain open for an additional year depending upon the jurisdiction).

The Company has two taxable real estate investment trust (“REIT”) subsidiaries (“TRS”). The TRSs are subject to federal and state income taxes under rules generally applicable to C corporations. The Company recognized approximately \$98,000 and \$71,000 of federal income tax benefit for the years ended December 31, 2025 and 2024, respectively, which is reflected as “Income tax benefit” in the consolidated statements of operations. As of December 31, 2025 and 2024, gross deferred tax assets totaled approximately \$222,000 and \$124,000, respectively, and were included in “Other assets, net” on the consolidated balance sheets.

### ***Revenue Recognition***

Rental and other property revenues are accounted for in accordance with ASC 842, Leases. Accordingly, lease revenue is excluded from the scope of ASC 606, Revenue from Contracts with Customers. Rental and other property revenues are recognized when due from tenants and recorded monthly as earned in accordance with the terms of the lease agreements. Other property revenue consists primarily of administrative, application, and other fees associated with tenant activities. Rental payments received in advance are deferred and recorded as “Rental security deposits and other liabilities” on the consolidated balance sheets until earned.

In accordance with ASC 842, the Company considers the impact of lease incentives and rental concessions when accounting for rental income. Rental income is recognized on a straight-line basis over the term of the lease when collection is considered probable, which may result in the recording of unbilled rent receivables or liabilities. Unbilled rent receivables related to straight-line adjustments are included in “Other assets, net” on our consolidated balance sheets.

We will periodically review the collectability of our tenant receivables and record an allowance for doubtful accounts for any estimated probable losses. Consistent with ASC 842, the Company recognizes rental revenue only to the extent that collection is probable. Amounts deemed uncollectible are reflected as a reduction of rental revenue rather than as an operating expense. Leases entered into for the rental of a single-family unit are generally year-to-year, renewable upon consent of both parties on an annual or monthly basis.

### ***Recent Accounting Pronouncements***

In November 2023, the FASB issued Accounting Standards Update (“ASU”) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. This guidance enhances segment disclosure requirements, including requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”). The guidance is effective for public business entities for fiscal years beginning after December 15, 2023 and interim periods beginning after December 15, 2024, and is required to be applied retrospectively. The Company adopted ASU 2023-07 effective January 1, 2024. The adoption of this guidance resulted in additional segment-related disclosures but did not have a material impact on the Company’s consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This guidance enhances the transparency and usefulness of income tax disclosures by requiring entities to provide additional information about income taxes paid, including disaggregation by federal, state, and foreign jurisdictions, as well as further detail on the effective tax rate reconciliation. The guidance is effective for public business entities for annual reporting periods beginning after December 15, 2024, with early adoption permitted. The Company adopted ASU 2023-09 effective January 1, 2025. The adoption of this guidance did not have a material impact on the Company’s consolidated financial statements or related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This guidance requires public business entities to disclose, in a tabular format, disaggregated information about certain expense categories presented on the face of the income statement, including depreciation, employee compensation, interest expense, and other specified expense items. The guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact that the adoption of this guidance will have on its consolidated financial statements and disclosures.

The Company does not expect the adoption of any other recently issued accounting standards to have a material impact on its consolidated financial statements.

### 3. Investments in Real Estate

#### *Rental Real Estate Properties*

The following table presents the Company's investments in rental real estate properties, net (*amounts in thousands*):

	<u>As of</u> <u>December 31, 2025</u>	<u>As of</u> <u>December 31, 2024</u>
Land	\$ 187,258	\$ 186,731
Building and building improvements	1,022,826	1,020,503
Site improvements	89,866	88,948
Furniture, fixtures and equipment	38,679	36,942
Construction in progress	405	593
<b>Total gross investment in rental real estate properties</b>	<b><u>\$ 1,339,034</u></b>	<b><u>\$ 1,333,717</u></b>
Less: Accumulated depreciation	(156,376)	(113,641)
<b>Total investment in rental real estate properties, net</b>	<b><u>\$ 1,182,658</u></b>	<b><u>\$ 1,220,076</u></b>

As of December 31, 2025 and 2024, the carrying amount of the rental real estate properties above included cumulative capitalized acquisition costs of approximately \$33.8 million and \$33.7 million, respectively, which includes cumulative acquisition fees paid to the Sponsor of approximately \$13.5 million and \$13.4 million, respectively.

For the years ended December 31, 2025 and 2024, the Company recognized approximately \$42.6 million and \$44.1 million, respectively, of depreciation expense on rental real estate properties.

#### *Acquisitions*

During the years ended December 31, 2025 and 2024, the Company acquired 4 and 22 rental real estate properties, respectively. The following table summarizes the asset acquisition allocation for our investments in rental real estate properties (*amounts in thousands*):

	<u>For the Year Ended</u> <u>December 31, 2025</u>	<u>For the Year Ended</u> <u>December 31, 2024</u>
Land	\$ 250	\$ 1,371
Building and building improvements	1,322	7,251
Site improvements	19	106
Furniture, fixtures and equipment	21	115
<b>Total acquisition cost<sup>(1)</sup></b>	<b><u>\$ 1,612</u></b>	<b><u>\$ 8,843</u></b>

- (1) The difference in the total acquisition cost of approximately \$1.6 million for the year ended December 31, 2025 and the cash paid for acquisitions of \$1.3 million per the consolidated statements of cash flows is due to approximately \$319,000 of deposits and other credits received at closing.  
The difference in the total acquisition cost of approximately \$8.8 million for the year ended December 31, 2024 and the cash paid for acquisitions of \$7.0 million per the consolidated statements of cash flows is due to approximately \$1.8 million of deposits and other credits received at closing.

#### *Dispositions*

During the years ended December 31, 2025 and 2024, the Company sold 36 and 101 rental real estate properties, respectively, for an aggregate gain of approximately \$464,000 and \$2.3 million, respectively. These dispositions do not represent a significant shift in business strategy and did not have a major effect on our financial results; accordingly, we have not reported this activity as discontinued operations.

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***Real Estate Held for Sale***

As of December 31, 2025 and 2024, the Company had 25 and 66 rental real estate properties, respectively, that met the criteria to be classified as held for sale (see Note 2). The following table presents information related to the major classes of assets and liabilities that were classified as held for sale in our consolidated balance sheets (*amounts in thousands*):

	<u>As of</u> <u>December 31, 2025</u>	<u>As of</u> <u>December 31, 2024</u>
Land	\$ 1,420	\$ 3,379
Building and building improvements	5,217	12,067
Site improvements	136	638
Furniture, fixtures and equipment	128	234
<b>Total gross investments in real estate held for sale</b>	<b><u>\$ 6,901</u></b>	<b><u>\$ 16,318</u></b>
Less: Loss on real estate held for sale <sup>(1)</sup>	(113)	(405)
<b>Total investments in real estate held for sale</b>	<b><u>\$ 6,788</u></b>	<b><u>\$ 15,913</u></b>

- (1) The loss on real estate held for sale is the recognized loss between the assets' carrying value and fair value less any costs to sell (see Note 2). The loss is recorded as "Impairment loss" in our consolidated statements of operations.

**4. Other Assets**

The balance in other assets, net consists of the following (*amounts in thousands*):

	<u>As of</u> <u>December 31, 2025</u>	<u>As of</u> <u>December 31, 2024</u>
Deferred financing costs, net	\$ 5,123	\$ 4,422
Deferred rent concessions, net	1,305	1,186
Tenant receivables, net	1,090	1,109
Prepaid expenses	817	164
Deferred tax asset	222	124
Other receivables	144	820
Deferred leasing costs, net	23	208
<b>Total other assets, net</b>	<b><u>\$ 8,724</u></b>	<b><u>\$ 8,033</u></b>

For the years ended December 31, 2025 and 2024, amortization expense on deferred financing costs related to credit facilities was approximately \$4.3 million and \$3.6 million, respectively, and is included within "Interest expense" in the consolidated statements of operations.

For the years ended December 31, 2025 and 2024, amortization of deferred rent concessions was approximately \$2.7 million and \$2.6 million respectively, and is included in "Rental and other property revenue" in the consolidated statements of operations.

As of December 31, 2025 and 2024, tenant receivables were recorded net of an allowance for credit losses of approximately \$1.0 million and \$510,000, respectively. For the years ended December 31, 2025 and 2024, the Company recorded approximately \$1.7 million and \$2.2 million, respectively, in bad debt expense which is included within "Rental and other property revenue" in the consolidated statements of operations.

For the years ended December 31, 2025 and 2024, the Company recognized approximately \$185,000 and \$1.1 million, respectively, of amortization expense on deferred leasing costs, which is included within "Depreciation and amortization" in the consolidated statements of operations.

**5. Credit Facilities**

On May 13, 2021, Fontavis Finance SFR Portfolio, LLC (the "SFR 1 Borrower"), an indirect consolidated subsidiary of the Company, executed an agreement for a revolving credit facility with an initial commitment of up to \$150.0 million, secured by real property owned by the Borrower's subsidiaries (the "GS Credit Facility"). The GS Credit Facility has since been amended to increase the commitment amount to \$400.0 million and adjust certain business terms, including transitioning the benchmark interest rate from LIBOR to SOFR, lowering the applicable margin rates, and extending the maturity date. As of December 31, 2025, the GS Credit Facility bears interest at the greater of 0.25% or SOFR, plus an applicable margin that ranges from 2.20% to 2.55%. The GS Credit Facility calls for interest-only payments for the entire term of the loan and a principal balloon payment at maturity. The GS Credit Facility has a scheduled maturity date of June 9, 2028, with a one-year extension option available upon

satisfying certain provisions.

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**FONTAVIS FINANCE SFR JV 1, LLC**  
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For the years ended December 31, 2025 and 2024, the SFR 1 Borrower incurred interest expense on the outstanding principal of approximately \$24.3 million and \$28.1 million, respectively. As of December 31, 2025 and 2024, approximately \$1.9 million and \$2.2 million, respectively, of interest was payable on the GS Credit Facility, which is included within “Accounts payable and accrued expenses” on the consolidated balance sheets.

On June 16, 2022, Fontavis Finance SFR Portfolio 3, LLC (the “SFR 3 Borrower”), an indirect consolidated subsidiary of the Company, executed an agreement for a delayed draw term loan of up to \$240.0 million, secured by real property owned by the Borrower’s subsidiaries (the “ML Credit Facility”). The ML Credit Facility bears interest at a fixed rate of 4.10%. The ML Credit Facility calls for interest-only payments for the entire term of the loan and a principal balloon payment at maturity. The ML Credit Facility matures on June 16, 2027. For each of the years ended December 31, 2025 and 2024, the SFR 3 Borrower incurred interest expense on the outstanding principal of approximately \$10.0 million. As of December 31, 2025 and 2024, approximately \$847,000 of interest was payable on the ML Credit Facility, which is included within “Accounts payable and accrued expenses” on the consolidated balance sheets.

On June 2, 2023, Fontavis Finance SFR JV 2 Portfolio, LLC (the “JV 2 Borrower”), an indirect subsidiary of Fontavis Finance SFR JV 2, LLC, an affiliate of our Members, executed an agreement for a revolving credit facility of up to \$770.0 million, secured by real property owned by the JV 2 Borrower’s subsidiaries (the “JPM Credit Facility”). The JPM Credit Facility bears interest at the greater of 1.00% or SOFR + 0.10%, plus a 2.25% margin. The JPM Credit Facility calls for interest-only payments for the entire term of the loan and a principal balloon payment at maturity. The JPM Credit Facility has a scheduled maturity date of June 2, 2026 and, absent refinancing or other capital actions, the outstanding balance would become due at that time. The Company does not have sufficient liquidity on hand to repay the JPM Credit Facility upon maturity. However, the Company intends to refinance the facility prior to that date. Management has evaluated its refinancing plan, including consideration of the Company’s historical access to financing, the secured nature and value of the underlying real estate collateral, and current market conditions, and has concluded that the plan is probable of being implemented and will enable the Company to meet its obligations as they come due.

Fontavis Finance SFR Portfolio 4, LLC (the “JV 1 Borrower”), an indirect subsidiary of the Company, and Fontavis Finance SFR Dev Portfolio, LLC (the “Dev JV Borrower”), an indirect subsidiary of Fontavis Finance SFR Dev JV 1, LLC, an affiliate of our Investor Member, were added as co-borrowers to the JPM Credit Facility through subsequent joinder agreements. Each co-borrower may pledge qualifying collateral to the line and request an advance to be funded according to the terms of the agreement, not to exceed the maximum aggregate commitment amount. In connection with the JPM Credit Facility, the Company entered into an Allocation and Reimbursement Agreement in order to equitably disburse loan proceeds and allocate related costs amongst the co-borrowers. The JV 2 Borrower will serve as the administrative agent for the JPM Credit Facility, and will be responsible for coordinating loan proceeds, interest payments, and co-borrower reimbursements, as needed. As of December 31, 2025 and 2024, approximately \$761,000 and \$248,000, respectively, was due to the JV 1 Borrower from the JV 2 Borrower, which is included within “Due from related parties” on the consolidated balance sheets.

For the years ended December 31, 2025 and 2024, the JV 1 Borrower was allocated interest expense on the outstanding principal of approximately \$10.7 million and \$7.8 million, respectively. As of December 31, 2025 and 2024, approximately \$1.1 million and \$517,000, respectively, of allocated interest was payable on the JPM Credit Facility, which is included within “Accounts payable and accrued expenses” on the consolidated balance sheets.

**FONTAVIS FINANCE SFR JV 1, LLC**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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The following is a summary of the credit facilities secured by the Company's properties as of December 31, 2025 and 2024 (*amounts in thousands*):

<b>Borrower</b>	<b>Commitment Amount</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Balance as of December 31, 2025<sup>(1)</sup></b>	<b>Balance as of December 31, 2024<sup>(1)</sup></b>
Fontavis Finance SFR Portfolio, LLC and Subsidiaries	\$ 400,000	06/09/2028	SOFR (0.25% floor) + 2.20 – 2.55%	\$ 348,368	\$ 346,793
Fontavis Finance SFR Portfolio 3, LLC and Subsidiaries	240,000	06/16/2027	4.10%	240,000	240,000
Fontavis Finance SFR Portfolio 4, LLC, its Subsidiaries, and its Co-Borrowers' Subsidiaries <sup>(2)</sup>	770,000	06/02/2026	SOFR + 0.10% (1.00% floor) + 2.25%	345,300	240,634

- (1) The balances as of December 31, 2025 and 2024 exclude gross deferred financing costs of approximately \$20.3 million and \$15.3 million, respectively, allocated among co-borrowers (if applicable). These deferred financing costs, net of accumulated amortization, are included in "Other assets, net" on the consolidated balance sheets (see Note 4). As of December 31, 2025, the JPM Credit Facility's allocation of gross deferred financing costs is approximately \$5.1 million to the JV 1 Borrower, approximately \$2.1 million to the JV 2 Borrower, and approximately \$664,000 to the Dev JV Borrower. As of December 31, 2024, the JPM Credit Facility allocation of gross deferred financing costs was approximately \$2.3 million to the JV 1 Borrower, approximately \$1.8 million to the JV 2 Borrower, and approximately \$512,000 to the Dev JV Borrower. No deferred financing costs were payable as of December 31, 2025 and 2024.
- (2) As of December 31, 2025, the allocation of outstanding loan principal is approximately \$217.2 million to the JV 1 Borrower, approximately \$90.8 million to the JV 2 Borrower, and approximately \$37.3 million to the Dev JV Borrower. As of December 31, 2024, the allocation of outstanding loan principal is approximately \$114.2 million to the JV 1 Borrower, approximately \$90.6 million to the JV 2 Borrower, and approximately \$35.8 million to the Dev JV Borrower.

For the periods ending December 31, 2025 and 2024, we incurred loan servicing fees of approximately \$326,000 and \$447,000, respectively, which are included within "Interest expense" in the consolidated statements of operations. Loan servicing fees are routine costs incurred for administrative and compliance purposes that are paid to unrelated third parties. These may include, but are not limited to, non-use or minimum utilization charges, diligence agent fees, and custodian services.

The credit facilities contain various financial and non-financial covenants. Included in these covenants are general liquidity and net worth requirements for the Company, its co-borrowers, and its Members. As of December 31, 2025 and 2024, the Company was in compliance with all financial covenants per the credit facility agreements.

The Company is named as a guarantor for each of the credit facilities. The Company's guarantees are limited to standard lender protection clauses in the remote likelihood of wrongful action on the part of our subsidiaries and, if applicable, our co-borrowers' subsidiaries. No amounts have been accrued by the Company as a loss contingency related to these guarantees as of December 31, 2025 and 2024 because payment by the Company is not probable.

The following table presents the future principal payments due under the Company's credit facilities as of December 31, 2025 (*amounts in thousands*):

<b>Year</b>	<b>Amount</b>
2026	\$ 345,300
2027	240,000
2028	348,368
2029	–
2030 and thereafter	–
<b>Total</b>	<b>\$ 933,668</b>

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**6. Mortgages Payable**

The following is a summary of the mortgage notes secured by the Company’s properties as of December 31, 2025 and 2024 (amounts in thousands):

<u>Borrower(s)</u>	<u>Commitment Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance as of December 31, 2025<sup>(1)</sup></u>	<u>Balance as of December 31, 2024<sup>(1)</sup></u>
FR-Sunset, LLC <sup>(2)</sup>	\$ 50,000	03/23/2022	09/30/2025	SOFR + 2.75%	\$ –	\$ 36,200
FR-Rock Ridge, LLC <sup>(3)</sup>						
FR-Emerald Lakes, LLC <sup>(3)</sup>						
FR-Hickory Street, LLC <sup>(3)</sup>	60,000	04/29/2022	05/31/2025	SOFR + 1.35%	–	46,475

- (1) Excludes net deferred financing costs of approximately \$0 and \$18,000 as of December 31, 2025 and 2024, respectively. No deferred financing costs were payable as of December 31, 2025 and 2024.
- (2) The loan called for interest-only payments for the entire term of the loan and a principal balloon payment at maturity. The Company repaid the loan principal and outstanding interest on September 19, 2025. In aggregate, we incurred approximately \$186,000 of exit fees in connection with the repayments, which are reflected as “Loss on extinguishment of debt” in the consolidated statements of operations. No such fees were payable as of December 31, 2025.
- (3) The loan called for interest-only payments for the entire term of the loan and a principal balloon payment at maturity. The Company repaid the loan principal and outstanding interest on May 27, 2025. In aggregate, we incurred approximately \$546,000 of exit fees in connection with the repayments, which are reflected as “Loss on extinguishment of debt” in the consolidated statements of operations. No such fees were payable as of December 31, 2025.

For the years ended December 31, 2025 and 2024, the Borrowers on the above mortgages payable incurred interest expense of approximately \$2.9 million and \$6.0 million, respectively, and incurred loan servicing fees of approximately \$6,000 and \$62,000, respectively, related to mortgage notes payable. Approximately \$463,000 of current interest was payable to the lenders as of December 31, 2024, which is included within “Accounts payable and accrued expenses” on the consolidated balance sheets. No interest was payable to the lenders as of December 31, 2025.

Deferred financing costs are reflected net of accumulated amortization on the consolidated balance sheets as a reduction to the related mortgages payable, which totaled approximately \$0 and \$18,000 as of December 31, 2025 and 2024, respectively. For the years ended December 31, 2025 and 2024, amortization of deferred financing costs was approximately \$23,000 and \$218,000, respectively, and is included in “Interest expense” in the consolidated statements of operations.

**7. Derivative Financial Instruments**

Effective May 18, 2021, we entered into an interest rate cap agreement to manage our exposure to interest rate risk on our variable rate debt associated with the GS Credit Facility (see Note 5). The initial interest rate cap agreement has been subsequently amended over the years in connection with the amendments of the GS Credit Facility. The current interest rate cap agreement is effective through June 13, 2026, has a notional amount of \$353.0 million and a strike rate of 2.0%. The interest rate cap is not for trading or other speculative purposes.

Similarly, on June 8, 2023, the JV 2 Borrower entered into an interest rate cap agreement to manage our exposure to interest rate risk on our variable rate debt associated with the JPM Credit Facility (see Note 5). The initial interest rate cap agreement has been subsequently replaced to increase the notional value and extend the maturity date. The current interest rate cap agreements are effective through June 2, 2026, have a combined notional amount of \$366.0 million, and a strike rate of 3.00%. The interest rate caps are not intended for trading or other speculative purposes. The initial cost of the interest rate caps and subsequent changes in fair value (as discussed below) have been allocated among the JV 2 Borrower, JV 1 Borrower, and Dev JV Borrower in accordance with the aforementioned Allocation and Reimbursement Agreement (see Note 5).

The Company has not designated any of the interest rate caps as cash flow hedges; therefore, the derivatives do not qualify for hedge accounting. Accordingly, changes in the fair values of the interest rate caps are recognized immediately through earnings. For the years ended December 31, 2025 and 2024, we recognized aggregate changes in the fair value of the interest rate caps of approximately \$(10.1) million and \$(12.5) million, respectively, recorded as “Loss on derivative financial instruments” in our consolidated statements of operations. For the years ended December 31, 2025 and 2024, we recognized aggregate income of approximately \$10.0 million and \$14.5 million, respectively, related to the interest rate caps, which are recorded as a reduction to “Interest expense” in our consolidated statements of operations. As of December 31, 2025 and 2024, approximately \$485,000 and \$437,000, respectively, of interest rate cap income was payable to the Company and was recorded net of the related accrued interest

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expense, which is included within “Accounts payable and accrued expenses” on the consolidated balance sheets. The fair value of our derivatives is estimated based on observable market inputs, such as interest rates, term to maturity and volatility, as well as unobservable inputs, such as estimates of current credit spreads. The fair value of our derivatives as of December 31, 2025 and 2024 is shown below (*amounts in thousands*):

Derivative Instrument	Notional Amount	Effective Date	Maturity Date	Fair Value as of December 31, 2025	Fair Value as of December 31, 2024
Interest Rate Cap <sup>(1)</sup>	\$ 122,000	06/21/2024	06/02/2025	\$ –	\$ 798
Interest Rate Cap <sup>(1)</sup>	119,000	09/01/2024	06/02/2025	–	779
Interest Rate Cap	353,000	12/13/2024	06/13/2026	2,828	3,951
Interest Rate Cap <sup>(2)</sup>	296,000	06/02/2025	06/02/2026	967	–
Interest Rate Cap <sup>(2)</sup>	70,000	09/05/2025	06/02/2026	227	–

- (1) As of December 31, 2024, the allocation of derivative fair value is approximately \$749,000 to the JV 1 Borrower, approximately \$594,000 to the JV 2 Borrower, and approximately \$235,000 to the Dev JV Borrower.
- (2) As of December 31, 2025, the allocation of derivative fair value is approximately \$751,000 to the JV 1 Borrower, approximately \$314,000 to the JV 2 Borrower, and approximately \$129,000 to the Dev JV Borrower.

## 8. Fair Value of Financial Instruments

We are required to disclose an estimate of fair value of our financial instruments for which it is practicable to estimate the value. The fair value of a financial instrument is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. For certain of our financial instruments, fair values are not readily available since there are no active trading markets as characterized by current exchanges by market participants.

We determine the fair value of certain investments in accordance with the fair value hierarchy that requires an entity to maximize the use of observable inputs. The fair value hierarchy includes the following three levels based on the objectivity of the inputs, which were used for categorizing the assets or liabilities for which fair value is being measured and reported:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Significant other observable inputs (e.g., quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable such as interest rate and yield curves, and market-corroborated inputs).

Level 3 – Valuation generated from model-based techniques that use inputs that are significant and unobservable in the market. These unobservable assumptions reflect estimates of inputs that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow methodologies or similar techniques, which incorporate management’s own estimates of assumptions that market participants would use in pricing the instrument or valuations that require significant management judgment or estimation.

As of December 31, 2025, the Company’s significant financial instruments consist of cash, restricted cash, derivative financial instruments, and the outstanding principal on the credit facilities. As of December 31, 2024, the Company’s significant financial instruments consist of cash, restricted cash, derivative financial instruments, and the outstanding principal on the credit facilities and mortgages payable.

The carrying amount of the Company’s cash and restricted cash as of December 31, 2025 and 2024 approximates fair value due to its short-term nature.

The only assets or liabilities as of December 31, 2025 and 2024 that are recorded at fair value on a recurring basis are the derivative financial instruments. As of December 31, 2025 and 2024, management estimated the fair value of our derivative financial instruments to be approximately \$3.6 million and \$4.7 million, respectively. We classify this fair value measurement as Level 2 as we use significant other observable inputs such as interest rate, term to maturity, and volatility.

As of December 31, 2025 and 2024, the outstanding principal carrying value for our credit facilities (allocated to the Company, if applicable) was approximately \$805.6 million and \$701.0 million, respectively, and the aggregate fair value was approximately

\$802.7 million and \$695.0 million, respectively. As of December 31, 2025 and 2024, the outstanding principal carrying value for our mortgages payable was approximately \$0 and \$82.7 million, respectively, and the aggregate fair value approximated the carrying value. The fair value of our borrowings under variable rate agreements is estimated using a present value technique based on expected cash flows discounted using the current market rates (Level 3). Any changes to the valuation methodology will be reviewed by management to ensure the changes are appropriate. The methods used may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Furthermore, while we anticipate that our valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value could result in a different estimate of fair value at the reporting date.

## **9. Members' Equity**

Capital contributions are required from the Members on a pro rata basis as defined in the Operating Agreement. For the years ended December 31, 2025 and 2024, incremental capital contributions totaled approximately \$47.2 million and \$54.2 million, respectively.

Distributions shall be made to the Members in proportion to their respective ownership percentages. For the years ended December 31, 2025 and 2024, the Company's total distributions declared to Members were approximately \$61.0 million and \$64.5 million, respectively. No distributions were payable as of December 31, 2025 and 2024.

The Company's net income or loss is allocated to the Operating Member and Investor Member pro rata in proportion to their respective ownership percentages.

## **10. Property Management Agreements**

In connection with our investments in rental real estate properties, the Company has entered into various property management agreements with third-party service providers to lease and manage the underlying assets.

Property management fees are generally calculated as a percentage of gross rental receipts and certain fees collected from tenants, subject to a minimum management fee as defined in the property management agreements. For the years ended December 31, 2025 and 2024, the Company incurred property management fees of approximately \$3.9 million and \$3.4 million, respectively, which are included in "Property operations and maintenance" expense on the accompanying consolidated statements of operations. Approximately \$156,000 and \$145,000 of property management fees were payable as of December 31, 2025 and 2024, respectively, and are included within "Accounts payable and accrued expenses" on the consolidated balance sheets.

## **11. Related Party Transactions**

### ***Operating Expenses***

Under the terms of the Operating Agreement, the Company shall pay or reimburse the Operating Member and its affiliates for expenses incurred on our behalf that are directly related to the operation, maintenance, and administration of the Company. For the years ended December 31, 2025 and 2024, the Operating Member and its affiliates incurred approximately \$3.8 million and \$3.3 million, respectively, of reimbursable operating costs on our behalf. Approximately \$101,000 and \$116,000 of such costs were payable as of December 31, 2025 and 2024, respectively.

### ***Affiliate Service Agreement***

Effective January 1, 2022, the Company entered into a real estate services agreement (the "Service Agreement") with Fontavis Finance Real Estate, LLC, a subsidiary of the Sponsor. The Service Agreement outlines various services Fontavis Finance Real Estate, LLC agrees to perform as an independent contractor on a non-exclusive basis, including but not limited to real estate asset management, acquisition and disposition services, capital markets services, debt servicing, and development and entitlement services. Compensation for such services will be paid to Fontavis Finance Real Estate, LLC, or its parent on its behalf, as described in the Service Agreement.

Acquisition fees are capitalized in accordance with our accounting policies (see Note 2). For the years ended December 31, 2025 and 2024, total acquisition fees earned by Fontavis Finance Real Estate, LLC were approximately \$16,000 and \$83,000, respectively. No acquisition fees were payable as of December 31, 2025 and 2024. For the years ended December 31, 2025 and 2024, total disposition fees earned by Fontavis Finance Real Estate, LLC were approximately \$93,000 and \$369,000, respectively,

and are included within “Gain

on sale of real estate, net” on the consolidated statements of operations. No disposition fees were payable as of December 31, 2025 and 2024.

For the years ended December 31, 2025 and 2024, the Company incurred capital markets fees related to the closing of the credit facilities and mortgages payable of approximately \$547,000 and \$117,000, respectively, which are recorded as deferred financing costs and are amortized over the term of the respective loans. For the years ended December 31, 2025 and 2024, amortization expense of approximately \$732,000 and \$656,000, respectively, was recorded related to these fees and is included in “Interest expense” on the consolidated statements of operations. As of December 31, 2025 and 2024, no capital markets fees were payable to Fontavis Finance Real Estate, LLC.

For the years ended December 31, 2025 and 2024, the Company incurred real estate asset management fees of approximately \$7.0 million and \$6.8 million, and debt servicing fees of approximately \$1.2 million and \$1.2 million, respectively, which are both included in “Asset management and other fees” on the accompanying consolidated statements of operations. As of December 31, 2025 and 2024, approximately \$686,000 and \$677,000, respectively, in such fees were payable to Fontavis Finance Real Estate, LLC and are included within “Due to related parties” on the consolidated balance sheets.

## **12. Segment Reporting**

An operating segment is a component of a public business entity that engages in activities from which it may earn revenues and incur expenses and has discrete financial information available that is regularly reviewed by the CODM. The management committee of the Manager acts as the Company’s CODM by assessing performance and making decisions about resource allocation. The CODM has determined that the Company has a single operating and reportable segment based on the fact that the CODM monitors the operating results of the Company as a whole, and that our long-term strategic asset allocation is based on a defined investment strategy which is executed by the Company’s portfolio management team. The CODM utilizes net income/(loss) as the primary measure to evaluate performance of the Company. The CODM does not regularly review disaggregated expense information beyond that presented in the consolidated statements of operations. Accordingly, the financial information provided to and reviewed by the CODM is consistent with that presented within the Company’s consolidated financial statements. If the CODM’s method of evaluating performance changes, the Company will reassess its segment reporting in accordance with ASC 280.

## **13. Commitments and Contingencies**

### ***Litigation***

In the ordinary course of business, we may become subject to litigation or claims. As of December 31, 2025 and 2024, there were no material pending legal proceedings to which the Company is a party.

## **14. Subsequent Events**

In connection with the preparation of the accompanying consolidated financial statements, we have determined that there are no events or transactions that have occurred through February 25, 2026 that require recognition or disclosure herein.

**FONTAVIS FINANCE SFR**  
**SUPPLEMENTAL SCHEDULES**

**Consolidating Balance Sheets**

As of December 31, 2025

(Amounts in thousands)

	Fontavis Finance SFR JV 1, LLC	Fontavis Finance SFR TRS 1, LLC	Fontavis Finance SFR Portfolio, LLC	Fontavis Finance SFR Portfolio 2, LLC
<b>Assets</b>				
Cash	\$ 3,669	\$ 89	\$ 2,511	\$ 67
Restricted cash	—	—	13,805	—
Other assets, net	679	109	3,512	2
Due (to)/from subsidiaries	(399,388)	—	54	—
Due from related parties	7	—	—	—
Derivative financial instruments	—	—	2,829	—
Investments in subsidiaries	804,174	—	—	—
Investments in real estate held for sale	—	602	1,136	5,050
Investments in rental real estate properties, net	—	—	480,341	—
<b>Total Assets</b>	<b>\$ 409,141</b>	<b>\$ 800</b>	<b>\$ 504,188</b>	<b>\$ 5,119</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 489	\$ 31	\$ 10,914	\$ 44
Due to/(from) parent	—	(9)	269	—
Due to related parties	786	1	6	—
Rental security deposits and other liabilities	—	—	3,457	—
Credit facilities	—	—	348,368	—
<b>Total Liabilities</b>	<b>\$ 1,275</b>	<b>\$ 23</b>	<b>\$ 363,014</b>	<b>\$ 44</b>
<b>Total Members' Equity</b>	<b>407,866</b>	<b>777</b>	<b>141,174</b>	<b>5,075</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 409,141</b>	<b>\$ 800</b>	<b>\$ 504,188</b>	<b>\$ 5,119</b>

**Consolidating Balance Sheets (continued)**

As of December 31, 2025

(Amounts in thousands)

	Fontavis Finance SFR Portfolio 3, LLC	Fontavis Finance SFR Portfolio 4, LLC	<i>Eliminations</i>	Fontavis Finance SFR JV 1, LLC Consolidated
<b>Assets</b>				
Cash	\$ 1,609	\$ 1,035	\$ —	\$ 8,980
Restricted cash	10,602	2,697	—	27,104
Other assets, net	2,052	2,370	—	8,724
Due (to)/from subsidiaries	—	—	399,334	—
Due from related parties	—	761	—	768
Derivative financial instruments	—	751	—	3,580
Investments in subsidiaries	—	—	(804,174)	—
Investments in real estate held for sale	—	—	—	6,788
Investments in rental real estate properties, net	310,535	391,782	—	1,182,658
<b>Total Assets</b>	<b>\$ 324,798</b>	<b>\$ 399,396</b>	<b>\$ (404,840)</b>	<b>\$ 1,238,602</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 5,249	\$ 2,806	\$ —	\$ 19,533
Due to/(from) parent	(240,003)	(159,591)	399,334	—
Due to related parties	1	—	—	794
Rental security deposits and other liabilities	660	709	—	4,826
Credit facilities	240,000	217,251	—	805,583
<b>Total Liabilities</b>	<b>\$ 5,907</b>	<b>\$ 61,139</b>	<b>\$ 399,334</b>	<b>\$ 830,736</b>
<b>Total Members' Equity</b>	<b>318,891</b>	<b>338,257</b>	<b>(804,174)</b>	<b>407,866</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 324,798</b>	<b>\$ 399,396</b>	<b>\$ (404,840)</b>	<b>\$ 1,238,602</b>

**FONTAVIS FINANCE SFR**  
**SUPPLEMENTAL SCHEDULES (CONTINUED)**

**Consolidating Statements of Operations**  
For the Year Ended December 31, 2025  
*(Amounts in thousands)*

	Fontavis Finance SFR JV 1, LLC	Fontavis Finance SFR TRS 1, LLC	Fontavis Finance SFR Portfolio, LLC	Fontavis Finance SFR Portfolio 2, LLC
<b>Revenue</b>				
Rental and other property revenue	\$ —	\$ —	\$ 47,562	\$ 7,250
Other revenue	155	—	35	—
<b>Total Revenue</b>	<b>\$ 155</b>	<b>\$ 0</b>	<b>\$ 47,597</b>	<b>\$ 7,250</b>
<b>Expenses</b>				
Property operations and maintenance	\$ —	\$ 62	\$ 28,548	\$ 3,785
Depreciation and amortization	—	—	16,935	4,088
Asset management and other fees	8,169	—	14	—
General and administrative expenses	1,094	40	506	6
Impairment loss	—	—	—	43
<b>Total Expenses</b>	<b>\$ 9,263</b>	<b>\$ 102</b>	<b>\$ 46,003</b>	<b>\$ 7,922</b>
<b>Other Income (Expense)</b>				
Interest expense	\$ (732)	\$ —	\$ (17,868)	\$ (2,870)
Loss on derivative financial instruments	—	—	(7,835)	—
Loss on extinguishment of debt	—	—	—	(732)
Gain (loss) on sale of real estate, net	—	49	501	(86)
Income tax benefit (expense)	—	14	86	(2)
<b>Total Other Income (Expense)</b>	<b>\$ (732)</b>	<b>\$ 63</b>	<b>\$ (25,116)</b>	<b>\$ (3,690)</b>
<b>Net Loss</b>	<b>\$ (9,840)</b>	<b>\$ (39)</b>	<b>\$ (23,522)</b>	<b>\$ (4,362)</b>

**Consolidating Statements of Operations (continued)**  
For the Year Ended December 31, 2025  
*(Amounts in thousands)*

	Fontavis Finance SFR Portfolio 3, LLC	Fontavis Finance SFR Portfolio 4, LLC	<i>Eliminations</i>	Fontavis Finance SFR JV 1, LLC Consolidated
<b>Revenue</b>				
Rental and other property revenue	\$ 26,681	\$ 22,508	\$ —	\$ 104,001
Other revenue	—	—	—	190
<b>Total Revenue</b>	<b>\$ 26,681</b>	<b>\$ 22,508</b>	<b>\$ —</b>	<b>\$ 104,191</b>
<b>Expenses</b>				
Property operations and maintenance	\$ 13,725	\$ 10,879	\$ —	\$ 56,999
Depreciation and amortization	11,306	10,502	—	42,831
Asset management and other fees	—	—	—	8,183
General and administrative expenses	215	53	—	1,914
Impairment loss	—	—	—	43
<b>Total Expenses</b>	<b>\$ 25,246</b>	<b>\$ 21,434</b>	<b>\$ —</b>	<b>\$ 109,970</b>
<b>Other Income (Expense)</b>				
Interest expense	\$ (10,817)	\$ (10,176)	\$ —	\$ (42,463)
Loss on derivative financial instruments	—	(2,271)	—	(10,106)
Loss on extinguishment of debt	—	—	—	(732)
Gain (loss) on sale of real estate, net	—	—	—	464
Income tax benefit (expense)	—	—	—	98
<b>Total Other Income (Expense)</b>	<b>\$ (10,817)</b>	<b>\$ (12,447)</b>	<b>\$ —</b>	<b>\$ (52,739)</b>
<b>Net Loss</b>	<b>\$ (9,382)</b>	<b>\$ (11,373)</b>	<b>\$ —</b>	<b>\$ (58,518)</b>



# **Fontavis Finance MF JV 1, LLC**

## **Consolidated Financial Statements**

**As of and for the Years Ended December 31, 2025 and 2024**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of  
Fontavis Finance MF JV 1,  
LLC:

### *Opinion*

We have audited the consolidated financial statements of Fontavis Finance MF JV 1, LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve *collusion*, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

McLean, Virginia  
February 25, 2026

**FONTAVIS FINANCE MF**  
**CONSOLIDATED BALANCE SHEETS**

(Amounts in thousands)

	<u>As of</u> <u>December 31, 2025</u>	<u>As of</u> <u>December 31, 2024</u>
<b>Assets</b>		
Cash	\$ 7,314	\$ 6,986
Restricted cash	4,633	4,712
Other assets, net	1,551	1,525
Derivative financial instruments	52	407
Investments in real estate held for improvement	7,547	7,547
Investments in rental real estate properties, net	409,404	422,644
<b>Total Assets</b>	<b><u>\$ 430,501</u></b>	<b><u>\$ 443,821</u></b>
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 5,024	\$ 4,310
Due to related parties	263	257
Rental security deposits and other liabilities	903	939
Mortgages payable, net	95,931	106,705
Credit facility	155,152	153,169
<b>Total Liabilities</b>	<b><u>\$ 257,273</u></b>	<b><u>\$ 265,380</u></b>
<b>Total Members' Equity</b>	<b><u>173,228</u></b>	<b><u>178,441</u></b>
<b>Total Liabilities and Members' Equity</b>	<b><u>\$ 430,501</u></b>	<b><u>\$ 443,821</u></b>

See accompanying notes to consolidated financial statements.

**FONTAVIS FINANCE MF**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Amounts in thousands)

	<u>For the Year Ended December 31, 2025</u>	<u>For the Year Ended December 31, 2024</u>
<b>Revenue</b>		
Rental and other property revenue	\$ 39,395	\$ 39,496
Other revenue	77	144
<b>Total Revenue</b>	<u>\$ 39,472</u>	<u>\$ 39,640</u>
<b>Expenses</b>		
Property operations and maintenance	\$ 18,224	\$ 18,294
Depreciation and amortization	15,742	15,527
Asset management and other fees	2,978	2,852
General and administrative expenses	349	410
<b>Total Expenses</b>	<u>\$ 37,293</u>	<u>\$ 37,083</u>
<b>Other Income (Expense)</b>		
Interest expense	\$ (15,765)	\$ (19,118)
Loss on derivative financial instruments	(408)	(831)
Loss on extinguishment of debt	(53)	-
<b>Total Other Income (Expense)</b>	<u>\$ (16,226)</u>	<u>\$ (19,949)</u>
<b>Net Loss</b>	<u>\$ (14,047)</u>	<u>\$ (17,392)</u>

See accompanying notes to consolidated financial statements.

**FONTAVIS FINANCE MF**  
**CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY**

(Amounts in thousands)

	<u>Operating Member</u>	<u>Investor Member</u>	<u>Total Members' Equity</u>
<b>December 31, 2023</b>	<b>\$ 18,749</b>	<b>\$ 168,733</b>	<b>\$ 187,482</b>
Contributions	8,190	73,710	81,900
Distributions	(7,355)	(66,194)	(73,549)
Net loss	(1,739)	(15,653)	(17,392)
<b>December 31, 2024</b>	<b>\$ 17,845</b>	<b>\$ 160,596</b>	<b>\$ 178,441</b>
Contributions	11,360	102,240	113,600
Distributions	(10,477)	(94,289)	(104,766)
Net loss	(1,404)	(12,643)	(14,047)
<b>December 31, 2025</b>	<b>\$ 17,324</b>	<b>\$ 155,904</b>	<b>\$ 173,228</b>

See accompanying notes to consolidated financial statements.

**FONTAVIS FINANCE MF**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Amounts in thousands)

	<u>For the Year Ended December 31, 2025</u>	<u>For the Year Ended December 31, 2024</u>
<b>Operating Activities:</b>		
Net loss	\$ (14,047)	\$ (17,392)
<b>Adjustments to reconcile net loss to net cash provided by (used in) operating activities:</b>		
Depreciation and amortization	15,742	15,527
Amortization of deferred financing costs	1,000	1,906
Bad debt expense	107	168
Loss on derivative financial instruments	408	831
Loss on extinguishment of debt	53	–
<b>Changes in assets and liabilities:</b>		
Net (increase) decrease in other assets	(307)	(89)
Net increase (decrease) in accounts payable and accrued expenses	538	(1,177)
Net increase (decrease) in due to related parties	5	(36)
Net increase (decrease) in rental security deposits and other liabilities	(36)	47
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ 3,463</u></b>	<b><u>\$ (215)</u></b>
<b>Investing Activities:</b>		
Capital expenditures related to rental real estate properties	\$ (2,324)	\$ (2,105)
Capital expenditures related to real estate held for improvement	–	(71)
Proceeds from sale of rental real estate properties	–	500
<b>Net cash provided by (used in) investing activities</b>	<b><u>\$ (2,324)</u></b>	<b><u>\$ (1,676)</u></b>
<b>Financing Activities:</b>		
Repayment of mortgages payable	\$ (11,099)	\$ (18,401)
Proceeds from credit facility	97,642	66,906
Repayment of credit facility	(95,658)	(57,000)
Payment of deferred financing costs	(556)	(92)
Purchase of derivative financial instrument	(53)	(385)
Capital contributions from Members	113,600	81,900
Distributions paid to Members	(104,766)	(73,549)
<b>Net cash provided by (used in) financing activities</b>	<b><u>\$ (890)</u></b>	<b><u>\$ (621)</u></b>
<b>Net increase (decrease) in cash and restricted cash</b>	<b><u>\$ 249</u></b>	<b><u>\$ (2,512)</u></b>
<b>Cash and restricted cash, beginning of year</b>	<b><u>11,698</u></b>	<b><u>14,210</u></b>
<b>Cash and restricted cash, end of year</b>	<b><u>\$ 11,947</u></b>	<b><u>\$ 11,698</u></b>
<b>Supplemental Cash Flow Disclosures:</b>		
Cash paid for interest	\$ 15,377	\$ 18,377
<b>Supplemental Disclosure of Non-Cash Activity:</b>		
Change in accrual for improvements in rental real estate properties	\$ 261	\$ 83

See accompanying notes to consolidated financial statements.

## **1. Formation and Organization**

Fontavis Finance MF JV 1, LLC was formed on January 20, 2021 as a California limited liability company and is governed by a limited liability company operating agreement (the “Operating Agreement”). The “Company”, “we”, “us”, and “our” collectively refer to Fontavis Finance MF JV 1, LLC and its consolidated subsidiaries except where the context otherwise requires. The Company is owned 10% by Fontavis Finance Balanced eREIT II, LLC (the “Operating Member”) and 90% by FNTVS Income eREIT, LLC (the “Investor Member”) (collectively referred to as the “Members”). The Operating Member serves as the manager of the Company and has responsibility for day-to-day management and operations in accordance with the approved plans and budgets.

Our Members are externally managed by FNTVS Advisors, LLC (the “Manager”), which is an investment adviser registered with the Securities and Exchange Commission (“SEC”), and a wholly-owned subsidiary of Fontavis Group Corp. (the “Sponsor”).

The Company was organized primarily to originate, invest in, and manage a diversified portfolio of residential real estate investments. The Company substantially commenced operations on March 5, 2021. As of December 31, 2025, the Company owns seven multifamily rental properties and one parcel of entitled land.

## **2. Summary of Significant Accounting Policies**

### ***Basis of Presentation***

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company has no items of other comprehensive income or loss in any period presented.

### ***Principles of Consolidation***

We consolidate entities when we own, directly or indirectly, a majority interest in the entity or are otherwise able to control the entity. We consolidate variable interest entities (“VIEs”) in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 810, Consolidation, if we are the primary beneficiary of the VIE as determined by our power to direct the VIE’s activities and the obligation to absorb its losses or the right to receive its benefits, which are potentially significant to the VIE. A VIE is broadly defined as an entity with one or more of the following characteristics: (a) the total equity investment at risk is insufficient to finance the entity’s activities without additional subordinated financial support; (b) as a group, the holders of the equity investment at risk lack (i) the ability to make decisions about the entity’s activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests, and substantially all of the entity’s activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights. There were no VIEs as of and for the years ended December 31, 2025 and 2024.

All intercompany accounts and transactions have been eliminated in consolidation.

### ***Estimates***

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates.

### ***Cash***

Cash may at times exceed the Federal Deposit Insurance Corporation deposit insurance limit of \$250,000 per institution. The Company mitigates credit risk by placing cash with major financial institutions. To date, the Company has not experienced any losses with respect to cash.

### ***Restricted Cash***

Restricted cash consists of cash balances restricted in use by contractual obligations with third parties. This may include funds escrowed for tenant security deposits, real estate taxes, property insurance, and other escrows required by lenders on certain of our properties to be used for future building renovations or tenant improvements.

### ***Rental Real Estate Properties and Real Estate Held for Improvement***

Our investments in real estate assets may include the acquisition of unimproved land or multifamily properties that are (i) held as rental properties or (ii) held for redevelopment or are in the process of being renovated.

In accordance with FASB ASC 805, Business Combinations, the Company first determines whether the acquisition of a property qualifies as a business combination, which requires that the assets acquired and liabilities assumed constitute a business. If the property acquired does not constitute a business, the Company accounts for the transaction as an asset acquisition. The guidance for business combinations states that when substantially all of the fair value of the gross assets to be acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the asset or set of assets is not a business. All property acquisitions to date have been accounted for as asset acquisitions.

Upon acquisition of a property, the Company assesses the fair value of acquired tangible and intangible assets (including land, buildings, site improvements, above- and below-market leases, acquired in-place leases, and other identified intangible assets and assumed liabilities) and allocates the purchase price (including capitalized acquisition costs) to the acquired assets and assumed liabilities on a relative fair value basis. The fair value of the tangible assets of an acquired property considers the value of the property as if it were vacant. During this process, we also evaluate each investment for purposes of determining whether a property can be immediately rented (presented on the consolidated balance sheets as “Investments in rental real estate properties, net”) or will need improvements or redevelopment (presented on the consolidated balance sheets as “Investments in real estate held for improvement”).

The amortization of in-place leases is recorded as depreciation and amortization expense on the Company’s consolidated statements of operations. In-place lease assets are reflected within “Other assets, net” in our consolidated balance sheets.

For rental real estate properties, significant improvements are capitalized. Expenditures for ordinary maintenance and repairs are expensed to operations as incurred. We capitalize expenditures that improve or extend the life of a property and for certain furniture and fixtures additions.

For real estate held for improvement, we capitalize the costs of improvement as a component of our investment in each property. These include renovation costs and other capitalized costs associated with activities that are directly related to preparing our properties for their intended use. Other costs may include interest, property taxes, property insurance, and utilities. The capitalization period associated with our improvement activities begins at such time that development activities commence and concludes at the time that a property is available to be rented or sold.

Costs capitalized in connection with rental real estate property acquisitions and improvement activities are depreciated over their estimated useful lives on a straight-line basis. The depreciation period commences upon the cessation of improvement-related activities or the month immediately following the in-service date. For those costs capitalized in connection with rental real estate properties acquisitions and improvement activities and those capitalized on an ongoing basis, the useful lives of the assets are as follows:

<u>Description</u>	<u>Depreciable Life</u>
Building	25 – 35 years
Building improvements	15 – 30 years
Site improvements	10 – 20 years
Furniture and fixtures	5 – 9 years
Lease intangibles	Over lease term

We evaluate our real estate properties for impairment when there is an event or change in circumstances that indicates an impaired value. If the carrying amount of the real estate investment is no longer recoverable and exceeds the fair value of such investment, an impairment loss is recognized. The impairment loss is recognized based on the excess of the carrying amount of the asset over its fair value. If the Company determines that an impairment has occurred, the affected assets must be reduced to their fair value. For the years ended December 31, 2025 and 2024, no such impairment occurred.

### ***Deferred Financing Costs***

Deferred financing costs are loan fees, capital markets fees, legal fees and other third-party costs associated with obtaining financing. These costs are amortized over the terms of the respective financing agreements using a method which approximates

the effective interest method. Deferred financing costs related to mortgage notes payable are recorded as a reduction to the related debt on the accompanying consolidated balance sheets. Deferred financing costs related to loan advances on the credit facility are recorded within “Other assets, net” on the accompanying consolidated balance sheets. The amortization of deferred financing costs is recorded within “Interest expense” on the accompanying consolidated statements of operations.

### ***Income Taxes***

The Company is treated as a pass-through entity for U.S. federal and most state income tax purposes and, as such, is not subject to income taxes at the entity level. Rather, the distributive share of all items of income, gain, loss, deduction, or credit is passed through to the Members and reported on their respective tax returns. The Company’s federal tax status as a pass-through entity is based on its default classification as a limited liability company with more than one member, that is treated as a partnership. The Company assessed all of the tax positions it intends to take, both routine and those with a greater level of uncertainty, and determined that no unrecognized tax benefits are required to be recorded. For the open tax periods, the Company has no uncertain tax positions that would require recognition in the consolidated financial statements.

The Company files various federal, state, and local tax returns within the United States. No returns are currently under examination; however, the statute of limitations of the Company’s federal tax returns generally remains open three years after the date of filing (state and local tax returns may remain open for an additional year depending upon the jurisdiction).

The Company has one taxable real estate investment trust (“REIT”) subsidiary (“TRS”). The TRS is subject to federal and state income taxes under rules generally applicable to C corporations. The TRS’s income tax expense or benefit was not material to the financial statements for the years ended December 31, 2025 and 2024, and accordingly, is not separately presented. As of December 31, 2025 and 2024, the TRS had no material deferred tax assets or liabilities.

### ***Revenue Recognition***

Rental and other property revenues are accounted for in accordance with ASC 842, Leases. Accordingly, lease revenue is excluded from the scope of ASC 606, Revenue from Contracts with Customers. Rental and other property revenues are recognized when due from tenants and recorded monthly as earned in accordance with the terms of the lease agreements. Other property revenue consists primarily of administrative, application, and other fees associated with tenant activities. Rental payments received in advance are deferred and recorded as “Rental security deposits and other liabilities” on the consolidated balance sheets until earned.

In accordance with ASC 842, the Company considers the impact of lease incentives and rental concessions when accounting for rental income. Rental income is recognized on a straight-line basis over the term of the lease when collection is considered probable, which may result in the recording of unbilled rent receivables or liabilities. Unbilled rent receivables related to straight-line adjustments are included in “Other assets, net” on our consolidated balance sheets.

We periodically assess the collectability of tenant receivables and recognize an allowance for doubtful accounts for any estimated probable losses. Consistent with ASC 842, the Company recognizes rental revenue only to the extent that collection is probable. Amounts deemed uncollectible are reflected as a reduction of rental revenue rather than as an operating expense. Lease agreements for apartment units and townhomes are generally structured as approximately one-year leases, with renewal options available on an annual or month-to-month basis subject to mutual agreement.

### ***Recent Accounting Pronouncements***

In November 2023, the FASB issued Accounting Standards Update (“ASU”) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. This guidance enhances segment disclosure requirements, including requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”). The guidance is effective for public business entities for fiscal years beginning after December 15, 2023 and interim periods beginning after December 15, 2024, and is required to be applied retrospectively. The Company adopted ASU 2023-07 effective January 1, 2024. The adoption of this guidance resulted in additional segment-related disclosures but did not have a material impact on the Company’s consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This guidance enhances the transparency and usefulness of income tax disclosures by requiring entities to provide additional information about income taxes paid, including disaggregation by federal, state, and foreign jurisdictions, as well as further detail on the

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effective tax rate reconciliation. The guidance is effective for public business entities for annual reporting periods beginning after December 15, 2024, with early adoption permitted. The Company adopted ASU 2023-09 effective January 1, 2025. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements or related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This guidance requires public business entities to disclose, in a tabular format, disaggregated information about certain expense categories presented on the face of the income statement, including depreciation, employee compensation, interest expense, and other specified expense items. The guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact that the adoption of this guidance will have on its consolidated financial statements and disclosures.

The Company does not expect the adoption of any other recently issued accounting standards to have a material impact on its consolidated financial statements.

### 3. Investments in Real Estate

#### *Rental Real Estate Properties*

The following table presents the Company's investments in rental real estate properties, net (*amounts in thousands*):

	<u>As of</u> <u>December 31, 2025</u>	<u>As of</u> <u>December 31, 2024</u>
Land and land improvements	\$ 81,983	\$ 80,928
Building and building improvements	380,429	379,650
Furniture, fixtures and equipment	14,289	13,621
<b>Total gross investments in rental real estate properties</b>	<b>\$ 476,701</b>	<b>\$ 474,199</b>
Less: Accumulated depreciation	(67,297)	(51,555)
<b>Total investments in rental real estate properties, net</b>	<b>\$ 409,404</b>	<b>\$ 422,644</b>

As of December 31, 2025 and 2024, the carrying amount of the rental real estate properties above included cumulative capitalized acquisition costs of approximately \$7.4 million, which includes cumulative acquisition fees paid to the Sponsor of approximately \$4.7 million.

For the years ended December 31, 2025 and 2024, the Company recognized approximately \$15.8 million and \$15.5 million, respectively, of depreciation expense on rental real estate properties.

#### *Real Estate Held for Improvement*

The following table presents the Company's investments in real estate held for improvement (*amounts in thousands*):

	<u>As of</u> <u>December 31, 2025</u>	<u>As of</u> <u>December 31, 2024</u>
Land	\$ 5,128	\$ 5,128
Work in progress	2,419	2,419
<b>Total investments in real estate held for improvement</b>	<b>\$ 7,547</b>	<b>\$ 7,547</b>

As of December 31, 2025 and 2024, real estate held for improvement included capitalized acquisition costs of approximately \$67,000, which includes cumulative acquisition fees paid to the Sponsor of approximately \$51,000.

### 4. Other Assets

The balance in other assets, net consists of the following (*amounts in thousands*):

	<u>As of</u> <u>December 31, 2025</u>	<u>As of</u> <u>December 31, 2024</u>
Prepaid and other expenses	\$ 654	\$ 672
Deferred rent concessions, net	665	413
Deferred financing costs, net	150	322
Tenant and other receivables, net	82	118
<b>Total other assets, net</b>	<b>\$ 1,551</b>	<b>\$ 1,525</b>

For the years ended December 31, 2025 and 2024, amortization of deferred rent concessions was approximately \$959,000 and \$751,000, respectively, and is included in “Rental and other property revenue” in the consolidated statements of operations.

For the years ended December 31, 2025 and 2024, amortization expense on deferred financing costs, related to the Credit Facility, was approximately \$728,000 and \$1.5 million, respectively, and is included in “Interest expense” in the consolidated statements of operations.

As of December 31, 2025 and 2024, tenant receivables were recorded net of an allowance for credit losses of approximately \$30,000 and \$39,000, respectively. For the years ended December 31, 2025 and 2024, the Company recorded approximately \$107,000 and \$168,000, respectively, in bad debt expense which is included as a reduction to “Rental and other property revenue” in the consolidated statements of operations.

## **5. Credit Facility**

On March 9, 2022, Fontavis Finance MF Facility 1 Borrower, LLC (the “Borrower”), a consolidated subsidiary of the Company, executed an agreement for a revolving credit facility with an initial commitment of \$125.0 million and a maximum commitment capacity available to the Company of up to \$400.0 million, secured by real property owned by the Borrower’s subsidiaries (the “Credit Facility”). The Credit Facility was amended on May 18, 2022 to increase the commitment amount to \$175.0 million. The Credit Facility was further amended on February 25, 2025 and December 31, 2025 to revise the minimum quarterly debt yield requirement and update the definition of certain business terms in the agreement. The Credit Facility bears interest at the secured overnight financing rate (“SOFR”), with a 0% floor, plus an applicable margin that ranges from 0.75% to 1.75%. The Credit Facility calls for monthly interest payments for the entire term of the loan and a principal balloon payment due at maturity. The Credit Facility had an initial maturity date of March 9, 2025, with two twelve-month extension options available at our discretion, subject to meeting certain requirements. One twelve-month extension was exercised, effective March 9, 2025, and the Credit Facility now has a maturity date of March 9, 2026. Management has the intent and ability to satisfy the upcoming maturity by exercising its second extension option available under the Credit Facility.

For the years ended December 31, 2025 and 2024, we incurred interest expense of approximately \$9.0 million and \$9.9 million, respectively, on the outstanding principal. As of December 31, 2025 and 2024, approximately \$24,000 and \$82,000, respectively, of interest was payable to the lender, and is included in “Accounts payable and accrued expenses” in the consolidated balance sheets.

The Credit Facility contains a requirement for monitoring of the Credit Facility’s borrowing base availability. The borrowing base availability is the maximum amount that is allowed to be outstanding on the Credit Facility. As part of the quarterly reporting and as of December 31, 2024, the calculated borrowing base availability fell below the outstanding balance of the Credit Facility by approximately \$2.9 million. When this situation occurs, we are required to make a payment to reduce the Credit Facility balance so that the outstanding balance of the Credit Facility is equal to or below the borrowing base availability. This payment is required to be made by the date that the quarterly borrowing base availability certification is due to the lender. This is not an event of default of the loan, and the borrowing base availability will continue to be monitored on a quarterly basis. The borrowing base shortfall identified as of December 31, 2024 was cured during the year ended December 31, 2025, and no borrowing base deficiency existed as of December 31, 2025.

The Credit Facility contains various financial and non-financial covenants. Included in these covenants are general liquidity and net worth requirements for the Borrower and the Operating Member. The Operating Member, the Borrower, and its consolidated subsidiaries are guarantors of the loan, under certain circumstances outlined in the Credit Facility agreement. These guarantees are limited to standard lender protection clauses in the remote likelihood of wrongful action on the part of our subsidiaries. No amounts have been accrued by the Company as a loss contingency related to these guarantees as of December 31, 2025 and 2024 because payment by the Company is not probable. As of December 31, 2025 and 2024, the Borrower and Operating Member were in compliance with all financial and non-financial covenants per the Credit Facility agreement.

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The following is a summary of the credit facility secured by the Company’s properties as of December 31, 2025 and 2024 (*amounts in thousands*):

<b>Borrower</b>	<b>Commitment Amount<sup>(1)</sup></b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Balance as of</b>	<b>Balance as of</b>
				<b>December 31, 2025<sup>(2)(3)</sup></b>	<b>December 31, 2024<sup>(2)(3)</sup></b>
Fontavis Finance MF Facility 1 Borrower, LLC	\$ 175,000	03/09/2026	SOFR (0% floor) + 1.75% margin benchmark rate or 0.75% base rate	\$ 155,152	\$ 153,169

- (1) As of December 31, 2025 and 2024, the commitment amount is \$175.0 million, with a maximum commitment capacity available to the Borrower of up to \$400.0 million.
- (2) The balances as of December 31, 2025 and 2024 exclude gross deferred financing costs of approximately \$4.7 million and \$4.1 million, respectively. These deferred financing costs, net of accumulated amortization, are included in “Other assets, net” on the consolidated balance sheets. No deferred financing costs were payable as of December 31, 2025 and 2024.
- (3) As of December 31, 2025 and 2024, the Credit Facility was secured by real estate investments in 5 and 4 multifamily rental properties, respectively. A mortgage note held by FRMF - MYRTLE, LLC in the amount of approximately \$11.1 million was refinanced onto the Credit Facility during the year ended December 31, 2025.

The following table presents the future principal payments due under the Company’s credit facilities as of December 31, 2025 (*amounts in thousands*):

<b>Year</b>	<b>Amount</b>
2026	\$ 155,152
2027	–
2028	–
2029	–
2030 and thereafter	–
<b>Total</b>	<b>\$ 155,152</b>

## 6. Mortgages Payable

The following is a summary of the mortgage notes secured by the Company’s properties as of December 31, 2025 and 2024 (*amounts in thousands*):

<b>Borrower<sup>(1)(2)</sup></b>	<b>Loan Amount</b>	<b>Effective Date</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Balance as of</b>	<b>Balance as of</b>
					<b>December 31, 2025</b>	<b>December 31, 2024</b>
FRMF-ODESSA, LLC	\$ 64,501	12/31/2021	12/30/2031	SOFR + 2.31%	\$ 64,501	\$ 64,501
FRMF-MYRTLE, LLC <sup>(3)(4)</sup>	29,500	06/30/2022	06/30/2025	SOFR + 1.80%	–	11,099
FRMF-GTOWN-OPS, LP	32,318	07/21/2023	08/01/2028	5.21%	32,318	32,318
				Total gross mortgages payable	<b>\$ 96,819</b>	<b>\$ 107,918</b>
				Less: deferred financing costs, net	(888)	(1,213)
				Total mortgages payable, net	<b>\$ 95,931</b>	<b>\$ 106,705</b>

- (1) Each loan was entered into or assumed by a wholly owned subsidiary (each a Borrower) of the Company. Each Borrower is a separate legal entity from its affiliates and therefore the assets and credit of each Borrower are not available to satisfy the debts and other obligations of any affiliates or any other entity. The Operating Member is the guarantor, under certain circumstances outlined in the agreements, of each of the loans above.
- (2) The loan calls for interest-only payments for the entire term of the loan and a principal balloon payment at maturity, with no options to extend.
- (3) During the year ended December 31, 2024, the FRMF-MYRTLE, LLC loan was partially repaid in the amount of approximately \$18.4 million. No penalty was assessed as a result of this prepayment.
- (4) During the year ended December 31, 2025, the FRMF-MYRTLE, LLC loan was fully repaid in the amount of approximately \$11.1 million and subsequently refinanced onto the Credit Facility (see Note 5). Approximately \$53,000 of unamortized deferred financing costs were written off upon repayment, which was recorded as “Loss on extinguishment of debt” in our consolidated statements of operations.

For the years ended December 31, 2025 and 2024, the Borrowers on the above mortgages payable incurred interest expense of approximately \$6.1 million and \$8.4 million, respectively. Approximately \$479,000 and \$539,000 of current interest was payable as of December 31, 2025 and 2024, respectively, which is included within “Accounts payable and accrued expenses” on the consolidated balance sheets.

For the years ended December 31, 2025 and 2024, amortization of deferred financing costs for mortgages payable was approximately \$272,000 and \$388,000, respectively, and is included in “Interest expense” in the consolidated statements of operations.

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The mortgage notes contain various financial and non-financial covenants. Included in these covenants are general liquidity, net worth, and contingent liability requirements for the Company and Operating Member. As of December 31, 2025 and 2024, the Company and Operating Member were in compliance with all financial and non-financial covenants per the mortgage notes.

The following table presents the future principal payments due under the Company's mortgage notes as of December 31, 2025 (*amounts in thousands*):

<u>Year</u>	<u>Amount</u>
2026	\$ —
2027	—
2028	32,318
2029	—
2030 and thereafter	64,501
<b>Total</b>	<b><u>\$ 96,819</u></b>

### 7. Derivative Financial Instruments

Effective December 29, 2021, we entered into an interest rate cap agreement with a notional amount of approximately \$64.5 million and a strike rate of 3.69% to manage our exposure to interest rate risk on the FRMF-ODESSA, LLC variable rate debt (see Note 6). The initial interest rate cap agreement matured on January 1, 2025. During the years ended December 31, 2025 and 2024, we paid approximately \$53,000 and \$385,000, respectively, to replace the interest rate cap agreement with the same notional amount and strike rate and to extend the maturity date to January 1, 2027.

The interest rate caps are not for trading or other speculative purposes. We have not designated the interest rate caps as cash flow hedges, therefore the derivatives do not qualify for hedge accounting. Accordingly, changes in the fair value of the interest rate caps are recognized immediately through earnings. For the years ended December 31, 2025 and 2024, we recognized changes in the fair values of the interest rate caps of approximately \$(408,000) and \$(831,000), respectively, recorded as "Loss on derivative financial instruments" in our consolidated statements of operations. For the years ended December 31, 2025 and 2024, we recognized aggregate income of approximately \$406,000 and \$1.0 million, respectively, related to the interest rate caps, which are recorded as a reduction to "Interest expense" in our consolidated statements of operations. As of December 31, 2025 and 2024, approximately \$18,000 and \$54,000, respectively, of interest rate cap income was payable to the Company and was recorded net of the related accrued interest expense within "Accounts payable and accrued expenses" on the consolidated balance sheets.

The fair value of our derivatives is estimated based on observable market inputs, such as interest rates, term to maturity, and volatility, as well as unobservable inputs, such as estimates of current credit spreads. The fair value of our derivatives as of December 31, 2025 and 2024 is shown below (*amounts in thousands*):

<u>Derivative Instrument</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Fair Value as of December 31, 2025</u>	<u>Fair Value as of December 31, 2024</u>
Interest rate cap	\$ 64,501	12/29/2021	01/01/2025	\$ —	\$ 54
Interest rate cap	64,501	01/01/2025	01/01/2026	18	353
Interest rate cap	64,501	01/01/2026	01/01/2027	34	—

### 8. Fair Value of Financial Instruments

We are required to disclose an estimate of fair value of our financial instruments for which it is practicable to estimate the value. The fair value of a financial instrument is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. For certain of our financial instruments, fair values are not readily available since there are no active trading markets as characterized by current exchanges by market participants.

We determine the fair value of certain investments in accordance with the fair value hierarchy that requires an entity to maximize the use of observable inputs. The fair value hierarchy includes the following three levels based on the objectivity of the inputs, which were used for categorizing the assets or liabilities for which fair value is being measured and reported:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Significant other observable inputs (e.g., quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable such as interest rate and yield curves, and market-corroborated inputs).

Level 3 – Valuation generated from model-based techniques that use inputs that are significant and unobservable in the market. These unobservable assumptions reflect estimates of inputs that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow methodologies or similar techniques, which incorporate management’s own estimates of assumptions that market participants would use in pricing the instrument or valuations that require significant management judgment or estimation.

As of December 31, 2025 and 2024, the Company’s significant financial instruments consist of cash, restricted cash, derivative financial instruments, mortgages payable, and the outstanding principal on the Credit Facility.

The carrying amount of the Company’s cash and restricted cash as of December 31, 2025 and 2024 approximates fair value due to its short-term nature.

The only assets or liabilities as of December 31, 2025 and 2024 that are recorded at fair value on a recurring basis are the derivative financial instruments. As of December 31, 2025 and 2024, management estimated the fair value of our derivative financial instruments to be approximately \$52,000 and \$407,000, respectively. We classify this fair value measurement as Level 2 as we use significant other observable inputs such as interest rate, term to maturity, and volatility.

As of December 31, 2025 and 2024, the Credit Facility outstanding principal carrying value was approximately \$155.2 million and \$153.2 million, respectively, and the aggregate fair value approximated its carrying value. The fair value of our borrowings under variable rate agreements are estimated using a present value technique based on expected cash flows discounted using the current market rates (Level 3).

As of December 31, 2025 and 2024, the mortgages payable outstanding principal carrying value was approximately \$96.8 million and \$107.9 million, respectively, and the aggregate fair value approximated its carrying value. We classify the mortgage payable fair value measurements as Level 3 as we use significant unobservable inputs and management judgment. The methods utilized generally included a discounted cash flow method (an income approach) and recent investment method (a market approach). Significant inputs and assumptions include the market-based interest or preferred return rate, loan to value ratios, and expected repayment and prepayment dates.

Any changes to the valuation methodology will be reviewed by management to ensure the changes are appropriate. The methods used may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Furthermore, while we anticipate that our valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value could result in a different estimate of fair value at the reporting date.

## **9. Members’ Equity**

Capital contributions are required from the Members on a pro rata basis as defined in the Operating Agreement. For the years ended December 31, 2025 and 2024, incremental capital contributions totaled approximately \$113.6 million and \$81.9 million, respectively.

Distributions shall be made to the Operating Member and the Investor Member pro rata in proportion to their respective ownership percentages. For the years ended December 31, 2025 and 2024, the Company’s total distributions declared to Members were approximately \$104.8 million and \$73.5 million, respectively. No distributions were payable as of December 31, 2025 and 2024.

The Company’s net income or loss is allocated to the Operating Member and Investor Member pro rata in proportion to their respective ownership percentages.

## **10. Property Management Agreements**

In connection with our investments in rental real estate properties, the Company has entered into various property management agreements with third-party service providers to lease and manage the underlying assets.

Property management fees are generally calculated as a percentage of gross rental receipts and certain fees collected from tenants, subject to a minimum management fee as defined in the property management agreements. For the years ended December 31, 2025 and 2024, the Company incurred property management fees of approximately \$990,000 and \$1.0 million, respectively, which are included in “Property operations and maintenance” expense on the accompanying consolidated statements of operations. Approximately \$81,000 and \$84,000 of property management fees were payable as of December 31, 2025 and 2024, respectively, and are included within “Accounts payable and accrued expenses” on the consolidated balance sheets.

## **11. Related Party Transactions**

### ***Operating Expenses***

Under the terms of the Operating Agreement, the Company shall pay or reimburse the Operating Member and its affiliates for expenses incurred on our behalf that are directly related to the operation, maintenance, and administration of the Company. For the years ended December 31, 2025 and 2024, the Operating Member and its affiliates incurred approximately \$100,000 and \$203,000, respectively, of reimbursable operating costs on our behalf. As of December 31, 2025 and 2024, approximately \$10,000 and \$15,000, respectively, in such fees were payable to the Operating Member and its affiliates.

### ***Affiliate Service Agreement***

Effective January 1, 2022, the Company entered into a real estate services agreement (the “Service Agreement”) with Fontavis Finance Real Estate, LLC, a subsidiary of the Sponsor. The Service Agreement outlines various services Fontavis Finance Real Estate, LLC agrees to perform as an independent contractor on a non-exclusive basis, including but not limited to real estate asset management, acquisition and disposition services, capital markets services, debt servicing, and development and entitlement services. Compensation for such services will be paid to Fontavis Finance Real Estate, LLC, or its parent on its behalf, as described in the Service Agreement.

For the years ended December 31, 2025 and 2024, the Company incurred development fees of approximately \$0 and \$1,000, respectively, which are capitalized in accordance with our accounting policies (see Note 2) and included within “Investments in real estate held for improvement” on the accompanying consolidated balance sheets. As of December 31, 2025 and 2024, there were no development fees payable to Fontavis Finance Real Estate, LLC.

For the years ended December 31, 2025 and 2024, the Company incurred real estate asset management fees of approximately \$2.6 million and \$2.5 million, respectively, and debt servicing fees of approximately \$371,000 and \$393,000, respectively, which are both included in “Asset management and other fees” on the accompanying consolidated statements of operations. As of December 31, 2025 and 2024, approximately \$253,000 and \$242,000, respectively, in such fees were payable to Fontavis Finance Real Estate, LLC, and are included within “Due to related parties” on the accompanying consolidated balance sheets.

## **12. Segment Reporting**

An operating segment is a component of a public business entity that engages in activities from which it may earn revenues and incur expenses and has discrete financial information available that is regularly reviewed by the CODM. The management committee of the Manager acts as the Company’s CODM by assessing performance and making decisions about resource allocation. The CODM has determined that the Company has a single operating and reportable segment based on the fact that the CODM monitors the operating results of the Company as a whole, and that our long-term strategic asset allocation is based on a defined investment strategy which is executed by the Company’s portfolio management team. The CODM utilizes net income/(loss) as the primary measure to evaluate performance of the Company. The CODM does not regularly review disaggregated expense information beyond that presented in the consolidated statements of operations. Accordingly, the financial information provided to and reviewed by the CODM is consistent with that presented within the Company’s consolidated financial statements. If the CODM’s method of evaluating performance changes, the Company will reassess its segment reporting in accordance with ASC 280.

### **13. Commitments and Contingencies**

#### *Litigation*

In the ordinary course of business, we may become subject to litigation or claims. As of December 31, 2025 and 2024, there were no material pending legal proceedings to which the Company is a party.

### **14. Subsequent Events**

In connection with the preparation of the accompanying consolidated financial statements, we have determined that there are no events or transactions that have occurred through February 25, 2026 that require recognition or disclosure herein.