

Multifamily Value-Add Investment Strategy 2026

Investor Memorandum
2026 Edition · v3.7

**Amethyst
Projects**

The New Breed of Real Estate Syndication

Real estate syndications have not changed in 30 years: a stack of PDFs, a slide deck, a signature request, and a report 90 days later. Amethyst Projects rebuilt the whole thing. We pair an AI-native deal engine with experienced human underwriters, and we give every investor a live dashboard on the deals they own. We share what we see, so you can scrutinize it.

Founded in 2017 by Johnny Wahba, a 25-year industry veteran, Amethyst acquires and repositions value-add multifamily in high-growth Western U.S. and Texas secondary markets. Finding the right deal is like finding a needle in a haystack. We built Prism, our AI deal-sourcing and screening engine, to search hundreds of haystacks at once, and then our underwriters pick the sharpest needle. Software does what software is good at (scanning thousands of data streams, reconciling source documents, scoring every deal consistently); our people do what only people can do (judgment on markets, sponsors, and downside). AI does not write LOIs or close deals. We do.

We are operating at the edge of what technology allows, and we keep refining it. As Prism gets faster and sharper, we cover more submarkets, screen more deals, and put more qualified finalists in front of experienced humans, without lowering the bar. The result is more shots on goal at the same discipline.

Investors include two categories: Limited Partners (LPs), who invest through the partnership, and 1031 Co-owners, who invest via a Tenant-in-Common (TIC) structure to preserve 1031 eligibility.

We typically aim to acquire 3 to 4 properties per year, with individual asset purchase prices in the \$2 to 12 million range. There is no hard cap on total acquisitions. We will continue to buy and grow our portfolio if the opportunities meet our strict criteria. Johnny Wahba, as the sole Principal, leads all investment decisions, and works with a trusted team of analysts, advisors, and proven contractors to execute our business plan.

Since our founding, Amethyst has built a track record of successful real estate projects and has honed an acquisition and asset management model that we are now scaling into the multifamily value-add space.

Investors come in two forms: Limited Partners, who invest through the partnership, and 1031 Co-owners, who invest via a Tenant-in-Common (TIC) structure to preserve 1031 eligibility. The minimum investment for Limited Partners is \$50,000, designed to provide broad access to institutional-quality real estate; most investors participate at \$250,000 or above, reflecting the caliber of opportunities and the depth of tax benefits available. The minimum for 1031 co-owners investing via a Tenant-in-Common (TIC) structure is \$1,000,000, reflecting the direct-title mechanics of a like-kind exchange. We target 3 to 4 acquisitions per year in the \$2 to \$12 million range, with no hard cap: we keep buying as long as deals clear our criteria. Johnny Wahba, as sole Principal, leads investment decisions. Sponsor co-investment, where it occurs, is discretionary and decided offering by offering; it is not a commitment and is disclosed in that deal's offering materials.

The Unfair Edge: AI at Scale, Human Judgment

Prism is our in-house intelligence platform. It monitors every submarket in our footprint, scores thousands of listings against our thesis, and flags the fraction that deserve a human look. Then our underwriting team takes about a week on each finalist before it ever reaches an investor's inbox. Three things compound into an edge that a traditional shop cannot match.

Breadth: More Haystacks. We cover more than 650 submarkets across 31 MSAs in our 12-state footprint, markets that institutional capital writes off as "too small to matter." Manually, that coverage would be impossible; Prism makes it close to free. More ground scanned means more of the rare, mispriced, off-market opportunities actually surface.

Speed: The AI Filter. Every listing is scored on hundreds of underwriting data points against our thesis (comps, rent trends, supply pipeline, cap-rate trajectory, submarket momentum) in seconds, not weeks. Prism runs continuously, so we are never waiting on analyst bandwidth to decide what deserves a closer look.

Judgment: Human Finals. The finalists go to experienced operators. One week minimum per deal, every assumption sourced and challenged against market reality before it reaches our pipeline. AI narrows the field to the best candidates; humans decide. That division of labor, machine breadth plus human discernment, is the whole model.

The Old Way vs The Amethyst Way

We did not tweak the syndication model; we rebuilt it end to end.

Deal sourcing

The old way. A few broker relationships, inbox roulette, slow on off-market.

The Amethyst way. Prism scans thousands of deals per quarter across market data, county records, broker networks, and off-market signals.

Due diligence

The old way. Subjective reads; analyst bandwidth caps how many deals get looked at.

The Amethyst way. Every deal carries hundreds of tracked data points (market, rent comps, T12, rent roll, debt, renovation, returns), reconciled to source documents.

Investor experience

The old way. A 60-page PPM, a static slide deck, sign and wait.

The Amethyst way. A live deal dashboard where every number links to its source document. You see what we see.

Statements & distributions

The old way. Quarterly at best, reports 60 to 90 days stale.

The Amethyst way. Monthly LP statements and monthly cash distributions, direct to your bank.

Transparency

The old way. You get a summary; the sponsor keeps the model.

The Amethyst way. The underwriting model, cap stack, and debt schedule are visible to every LP.

How We Find and Approve Deals

Prism sources, analyzes, and screens; experienced humans decide what passes. The funnel is deliberate, and the bar does not move as volume grows.

Source. Prism ingests submarket data, rent rolls, T12s, broker emails, county records, demographic trends, and debt-market signals, and watches for the signatures of owners who may be ready to sell (long-term ownership, deferred maintenance, loan maturities). Because documents are the source of truth (not the inbox), every fact is tied back to a document, and broker or contact data never writes to a deal without human approval.

Screen. Every candidate is scored against a consistent model and ranked. Outliers are flagged, weak deals fall away, and only the fraction that fit our thesis advance. This is where breadth pays off: we can afford to say no to almost everything because Prism keeps the top of the funnel full.

Decide. Finalists reach the Investment Committee. Johnny Wahba leads acquisitions and chairs the committee; our Director of Finance runs the financial and tax review; our analysts and due-diligence coordinator pressure-test rent rolls, debt, and value-add scope against market reality. A deal must clear every criterion before we commit a single dollar of investor capital. We do not chase volume, and we are prepared to pause when deals do not pencil. And no money moves without a human signature: AI never wires funds, never signs, and never commits capital.

The Market Opportunity (2025-2028)

Key Insight: The 2025-2028 Window. Today's market conditions create a rare alignment of factors favoring well-capitalized buyers. Reduced new supply, motivated Baby Boomer sellers, resilient rental demand, and limited institutional competition provide a 3-4 year acquisition window at advantageous pricing.

Reduced New Supply. The surge of apartment construction in 2021-2022 (fueled by low interest rates and rapid rent growth) has given way to a sharp decline in development starts in 2023-2024. High interest rates and tighter financing have made new projects less feasible for many developers. As a result, once the last wave of projects currently under construction is delivered and absorbed (largely by 2025), the pipeline of new inventory will slow dramatically. This contraction in future supply, combined with steady demand, is expected to tighten vacancy and drive rent growth in the mid-term. In Texas markets, for example, early 2025 is projected to see a return to above-normal rent growth as fewer new apartments come online and renter demand remains strong.

In short, buying existing assets now, at uncompressed cap rates, positions us to benefit from improving fundamentals as supply-demand dynamics swing in our favor.

Resilient Demand and Demographics. Multifamily demand is bolstered by the nation's persistent housing shortage and demographic tailwinds. The U.S. continues to face a structural undersupply of housing, and a growing population of Millennials and Gen Z renters are aging into peak household formation years. In the Sun Belt and Western states in particular, population growth is outpacing national averages. States like Texas, Arizona, and Nevada are projected to gain millions of new residents through 2033, thanks to job growth, in-migration, and a business-friendly climate. With single-family homeownership remaining out of reach for many due to high home prices and mortgage rates, renting remains the practical choice for a large and growing segment of the population. Multifamily is fundamentally resilient: even in downturns people need housing, and apartment investments have historically weathered recessions better than other real estate classes.

Motivated Sellers (Baby Boomer Owners). We target primarily Class B multifamily properties built in the 1970s to the 1990s, assets often owned by long-time private owners. Many of these owners are aging Baby Boomers who have built up significant equity over decades and may now be looking to retire and cash out. This generational turnover is creating buying opportunities for us to acquire well-located but under-managed properties from "mom-and-pop" operators. By offering these sellers a fair exit and sure closing (often off-market), we can negotiate favorable prices and terms, acquiring assets at a basis below recent peak market values. In 2024-2025, multifamily valuations have pulled back ~20% from their 2021 highs, giving us a chance to buy at a discount to intrinsic value.

Limited Institutional Competition. In 2023 and early 2024, many institutional investors hit pause, sitting on the sidelines amid higher debt costs and market uncertainty. This pullback has left a gap that nimble private buyers like Amethyst can fill. Secondary and tertiary markets in the West and Texas have seen less competition and more favorable cap rates compared to coastal gateways, with cap rates in many Sun Belt markets holding roughly 100 to 150 basis points higher than coastal cities, a cushion for new acquisitions. We expect this "quiet" period won't last forever: large institutions have amassed capital and are poised to re-enter the multifamily arena as interest rates stabilize or decline, and when they do, competition and pricing could ramp up quickly. That is exactly why we intend to move swiftly in the current window.

Investment Strategy and Acquisition Plan

Target Assets. Garden-style Class B/C apartment communities (20 units and up, built roughly 1970s to 1990s, or newer if mismanaged) with stable occupancy and cash flow but operational or physical inefficiencies, the classic value-add profile. Common scenarios include outdated interiors, below-market rents, or mom-and-pop management leaving revenue on the table. We like going-in cap rates in the mid-5% to 6%+ range so the property can cover debt service and distributions even during the renovation period. Unlike highly leveraged players chasing pro-forma deals with negligible current yield, we insist on positive cash flow from day one, providing downside protection.

Value-Add Plan. For each acquisition, we craft a tailored renovation and repositioning plan. Typical improvements include unit interior upgrades (modernizing kitchens, baths, and flooring), adding or enhancing amenities (dog parks, package lockers, updated landscaping), and green energy or water-saving initiatives that reduce expenses. We budget conservatively and prioritize the renovations that yield the highest rent increase or expense savings. The goal is to elevate each property's quality and appeal, attracting better tenants and achieving market-rate rents, without over-improving or overspending. Renovation timelines are usually 12 to 18 months, phased to minimize disruption to occupancy.

We acquire using bridge, bank, or agency loans that we can carry comfortably through the renovation period, then refinance after improvements to pull out accrued equity (returning capital to investors) while locking in long-term financing. This two-step financing approach lowers risk and interest cost and avoids the pressure of a short-fuse loan maturity.

Geographic Focus. We invest across a 12-state footprint in the Western U.S. and Texas: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington, and Wyoming, focused on secondary markets such as the Texas metros of San Antonio and the Austin suburbs. These regions offer a compelling combination of growth and yield. Many Western and Texas cities benefit from Sun Belt migration and business expansion, with job and population growth rates well above national average, yet they still have affordable entry prices and higher cap rates compared to coastal gateway markets, often a 100 to 200 basis point spread for similar assets. These markets also have a long runway: housing demand continues to outstrip a supply pipeline constrained by higher interest and construction costs. We intentionally avoid hyper-competitive primary markets where institutional capital bids pricing up, buying instead at uncompressed cap rates and benefiting as growth drives appreciation.

Deal Sourcing. Amethyst employs a multi-pronged approach to sourcing deals, using both technology and relationships. Our proprietary process uses Prism, our AI platform, to scan public and private data for indicators of owners who may be ready to sell (long-term ownership, deferred maintenance, loan maturities, and the like), helping us identify off-market targets before they hit any listing. We combine this with constant outreach to our extensive network of local brokers, property managers, and owners. By staying top-of-mind as active buyers, we often get first-look calls, and many of our acquisitions are expected to be off-market or lightly marketed deals we can negotiate one-on-one.

We regularly arrange in-person meetings with sellers on short notice to move decisively and reduce execution risk. Our team includes a licensed pilot and operates a turboprop aircraft, allowing us to reach properties across the Western U.S. and Texas within hours. This enables rapid site visits, real-time diligence, and hands-on oversight well beyond the constraints of commercial travel, and it lets us engage sellers earlier and build credibility face-to-face before other buyers arrive. Combined with disciplined underwriting, advanced data sourcing, and deep broker relationships, this creates a durable sourcing advantage: we access opportunities that larger, less agile firms frequently miss.

Underwriting Discipline. Every acquisition must pass strict financial hurdles. We underwrite to deliver strong risk-adjusted returns without relying on rosy assumptions. We typically assume exit cap rates at least 0.5% higher than entry, underwrite rent and expense growth conservatively, factor in adequate renovation contingencies, and use interest-rate hedges or fixed-rate debt to mitigate financing risk. We conduct exhaustive due diligence, including physical inspections, lease audits, and market studies, so there are no hidden pitfalls. Downside protection starts at acquisition: we avoid overpaying and buy in fundamentally strong locations so properties hold value and occupancy even in a soft market. If a deal doesn't meet our return thresholds under prudent assumptions, we won't do it.

Execution and Operations. Post-acquisition, we execute the value-add plan with precision. We partner with top-tier local property management companies in each market, vetted for experience with similar assets and a track record of high occupancy and tenant satisfaction, to handle day-to-day leasing, maintenance, and tenant relations. We work closely with them to implement the business plan: coordinating unit renovation schedules, optimizing rent pricing, and running expense-reduction programs. Using the turboprop, our team oversees assets across the Western U.S. and Texas as if we were a local operator in each market, with frequent on-site visits and direct oversight of property managers and contractors.

Our team monitors performance metrics weekly, including occupancy, collections, renovation progress, and expense control, and adjusts in real time to hit targets. We collaborate with an expert construction management team whose partners have collectively rehabilitated thousands of units, so renovations are completed on time and on budget. The lean structure is an advantage: the people making decisions are the same ones engaged with each property's progress, with no unnecessary layers of bureaucracy. Ultimately, we buy undervalued assets in the right markets, improve net operating income through value-add initiatives, and create meaningful appreciation, then realize returns by refinancing to return capital or selling at an opportune time (typically a 5-year horizon per asset). We provide investors with quarterly reports and maintain full transparency through the Prism Investor Portal.

Deal Volume and Pace. We plan to acquire approximately 3 to 4 properties per year, subject to finding deals that meet our strict underwriting standards. This pacing is deliberate; it lets us stay highly selective and give each project the focus it deserves. There is no fixed limit on the number of deals, and no mandate to deploy capital at all costs: if market conditions shift or deals don't pencil, we are prepared to pause. Given the current opportunity, our expectation is to steadily expand the portfolio with several high-quality acquisitions each year.

Investment Criteria

Property Type. Class B/C garden-style multifamily

Unit Count. 20 units and up, no upper limit

Vintage. 1970s to 1990s (or newer if mismanaged)

Purchase Price. \$2M to \$12M per asset

Going-In Cap Rate. Mid-5% to 6%+

Occupancy. 85%+ at acquisition

Markets. Secondary metros across our 12-state Western U.S. and Texas footprint

Population Growth. Above national average

Job Growth. Strong and diversified employment base

Rent Growth. Positive trailing and projected trends

Value-Add Potential. Below-market rents, deferred maintenance, or operational inefficiency

Renovation Budget. \$8,000 to \$15,000 per unit

Renovation Timeline. 12 to 18 months, phased

Exit Strategy. Refinance at 18 to 24 months, disposition at 5 to 7 years

Minimum Investment. \$50,000 for LPs (most participate at \$250,000+); \$1,000,000 for 1031 co-owners (TIC)

Financing. Bridge or agency loan with refinance path

We don't chase volume. Every deal must clear our criteria before we commit a single dollar of investor capital.

The Team and Investment Committee

Prism surfaces the candidates; the Investment Committee decides. Amethyst is a decentralized, technology-enabled team that pairs institutional expertise with local execution. These are the people who make the judgment calls software cannot, and who sign off on every deal we pursue.

Key Personnel

JOHNNY WAHBA

Founder & Principal · Director of Acquisitions

Founder and principal of Amethyst Projects. Over a 25-year career in real estate investment and development, Johnny has led transactions across multifamily, hospitality, and mixed-use assets, with a consistent focus on value creation and disciplined execution. He has built and managed multiple real estate platforms, raising and deploying capital through private syndications, joint ventures, and tax-advantaged structures, and built a reputation for navigating complex acquisitions and repositioning strategies across diverse markets. His expertise spans sourcing off-market opportunities, structuring investor-aligned partnerships, and executing business plans with precision. At Amethyst he sets investment strategy, and oversees underwriting. Where the Sponsor co-invests on an offering, it does so alongside limited partners and on the same terms.

JAMES WAHBA

Director of Capital Development

Responsible for developing and strengthening relationships with accredited investors and supporting capital formation across the firm's multifamily platform. With more than 25 years of experience in real estate investment and development, James brings a long-standing perspective on asset ownership, entrepreneurial growth, and investor alignment. Earlier in his career he founded Projective Space, a pioneering New York City coworking and creative-workspace venture, building deep relationships with company founders, operators, high-net-worth individuals, and family offices across many industries. He applies a relationship-driven approach focused on trust, clarity, and long-term alignment, supporting both new investor engagement and repeat participation, and serves as the relationship lead for the Prism Investor Portal, guiding qualified investors through active deals and the soft-commit process.

BERT ALANIS

Lead Analyst

Brings a strong foundation in economics, strategy, and real estate private equity. A graduate of Harvard University with a concentration in Economics and a Portuguese language citation, he began his career in strategy consulting before joining Black Oak Associates, a Maryland-based private equity real estate firm, where he contributed to large-scale development projects and multiple acquisitions. After earning his MBA from the University of Texas at Austin's McCombs School of Business in 2019, he joined Evercore as an Associate, deepening his expertise in financial analysis and investment banking. At Amethyst he applies this background to underwriting, market analysis, and financial modeling, ensuring disciplined execution aligned with investor objectives.

HARISIMRAN KAUR KHALSA

Director of Finance

A seasoned financial executive with deep expertise in accounting, fund administration, and tax strategy for real estate and high-growth companies. Over her career she has held senior leadership roles including Chief Financial Officer, Tax Partner, and Head of Finance, overseeing financial operations, regulatory compliance, and capital management for businesses ranging from startups to global enterprises, and she co-founded a nonprofit in San Diego. She earned an MBA in Global Management (Finance, Honors) from Thunderbird and a BS in Business Administration and Accounting from the University of Arizona, following undergraduate studies in Economics at Dartmouth College; she is a CPA in both California and Arizona and holds an M&A certification from Columbia University. At Amethyst she leads financial strategy, tax structuring, investor reporting, and institutional-grade governance across all investments.

JUSTIN SHEN

Fund Administrator

Brings 17 years of industry experience, including senior positions as Fund Controller and Director of Finance overseeing private equity funds with more than \$8.5 billion in assets under management for institutional clients. His career spans both public accounting and private equity, giving him a deep understanding of fund operations, tax compliance, and investor reporting. At Amethyst he ensures our fund administration meets institutional standards, providing investors with accurate reporting, transparent governance, and confidence that capital is managed with the highest level of discipline.

MARNIE ROGADO

Executive Virtual Assistant · Virtual Property Manager

ZABRINA ISLAS

Executive Assistant & PM Coordinator

Sales, operations, and hospitality background. Built and operated her own short-term rental business earning top guest reviews. Aligns regional property managers with firm performance expectations and drives PMS adoption.

KATY CONROY

Legal Counsel

A real estate and securities attorney who advises the firm on transaction structure, entity formation, and securities compliance across every deal. A former big-law M&A attorney, she focuses her practice on real estate capital markets, equity investments, syndications, fund formation, and joint ventures spanning multifamily, development, industrial, and office assets. She earned her Bachelor of Arts from Dartmouth College, her Juris Doctor from UCLA School of Law, and her MBA from UCLA's Anderson School of Management, and has been recognized as a Southern California Commercial Real Estate Visionary by the Los Angeles Times and a Woman of Influence by the Los Angeles Business Journal. At Amethyst she reviews LOIs, purchase and sale agreements, and offering documents, and structures each offering for compliance.

Strategic Partners. We maintain two exclusive institutional partnerships that span every deal, plus a vetted bench of specialists we engage per deal and per market.

Sklar Kirsh. Legal Counsel (Real Estate and Securities)

SponsorCloud. Fund Administration and Investor Reporting

Beyond these two, we work with a curated bench of specialist providers rather than a single exclusive firm per function. This keeps us competitive on pricing and coverage across markets. Bench roles include cost segregation and 1031 exchange, debt and capital advisory, insurance, property management, construction management, and title and escrow, each selected for the specific deal and geography.

Prism Intelligence Platform

AI-Powered Deal Sourcing. Amethyst has developed Prism, a proprietary intelligence platform that processes hundreds of deals per month. Prism aggregates listing feeds, institutional market reports, public records, loan maturity databases, and ownership histories to surface acquisition opportunities matching our investment criteria. The system scores every deal against dozens of variables so our team focuses only on the highest-quality prospects.

Prism draws on county assessor records, Census Bureau data, Bureau of Labor Statistics employment figures, USPS vacancy data, institutional market reports, and proprietary broker network feeds. By combining these sources, we identify patterns and opportunities that single-source analysis would miss.

Prism also runs under a written technology constitution that is enforced in code, not just policy: numbers are never fabricated, every figure must trace back to a source document, and anything touching money or model math requires human review before it takes effect. The same rules that protect our underwriting protect what you see on the Portal.

Automated Underwriting. Prism's underwriting engine runs full financial models on each qualified deal, projecting cash flows, renovation returns, and exit scenarios. This allows us to evaluate more opportunities with greater precision than traditional manual processes. Deals that clear Prism's filters proceed to human review by our senior analyst and principal.

Market Intelligence. Prism continuously monitors submarket conditions across our target geographies. It tracks rent trends, occupancy rates, new construction permits, population migration, and employment data. This real-time intelligence informs both our acquisition decisions and our asset management strategies for properties we already own.

Investor Portal. Through the Prism Investor Portal, qualified investors can review sanitized deal summaries for active acquisition opportunities. Each summary includes property photos, submarket data, projected returns, and the renovation business plan. Investors can indicate interest in specific deals, helping us gauge commitment levels before we finalize capital stacks.

Transparency by design: rather than periodic email updates, investors have on-demand access to the information they need, and every data point shown on the Portal is verified through our underwriting process before publication.

Post-acquisition portfolio tracking through the Portal is currently in development. When launched, investors will be able to track property performance, renovation progress, and distribution history for their active investments in one place.

Portal access is limited to verified accredited investors who have completed our onboarding process. All data is encrypted and hosted on enterprise-grade infrastructure. The Portal is not a public marketplace. It's a private tool for our investor community.

Investor Experience and Transparency

We share what we see. Rather than a summary and a 90-day wait, every LP gets login access to the Prism Investor Portal, with source documents, underwriting assumptions, the debt schedule, renovation progress, and distributions all in one place. Data refreshes as rent rolls and T12s come in. If you want to scrutinize a cap rate or an expense line, go ahead; every number links to the document it came from.

Statements and distributions are monthly, direct to your bank, not quarterly letters that are already stale when they arrive. During a live raise, waitlist and existing investors see new opportunities 7 days before the broader market, review sanitized deal summaries (photos, submarket data, projected returns, and the renovation business plan), and can signal interest before we finalize the capital stack. Every raise accepts oversubscription of up to 200%, so a deal that fills quickly can still make room for committed investors. Access is limited to verified accredited investors who have completed onboarding; all data is encrypted on enterprise-grade infrastructure. The Portal is not a public marketplace, it is a private window into our pipeline for our investor community. Post-acquisition portfolio tracking in the Portal is currently in development.

Fee Structure and Investor Alignment

We structure our deals to align our interests with yours. All fees, preferred returns, and profit-sharing terms are fully documented in each deal's offering materials and may vary by opportunity and structure.

How Each Fee Works. Acquisition Fee. A one-time fee of 2% of total acquisition cost, payable at closing, to compensate the work of sourcing, analyzing, and closing the deal (for example, \$206,000 on a \$10 million purchase with \$300,000 of closing costs). Total acquisition cost is the purchase price plus acquisition closing costs, which is the basis our underwriting model applies. This is a market-standard syndicator fee and helps cover our overhead in finding and vetting deals. Importantly, it is only taken if we successfully close on a property; we do not get paid for looking at deals unless we deliver one that moves forward.

Asset Management Fee. 2% of gross operating income (or gross monthly revenue), paid monthly. This compensates ongoing oversight of property performance, investor reporting, and execution of the business plan, ensuring continuous accountability throughout the life of the investment.

Property Management Fee. Our third-party property management partners are paid 5% of gross revenues for day-to-day operations such as leasing, tenant relations, and maintenance. We underwrite every deal at that 5% rate, so a better rate we negotiate on a given property shows up as upside rather than as a gap between the model and the operating statement. We negotiate competitive rates and provide asset-level oversight to ensure they meet performance expectations.

Construction Management Fee. For renovation projects, 4% to 6% of the total renovation budget, paid to our construction management partner for overseeing and executing the value-add work. This aligns the construction team with the project's success and is built into project budgets up front, so there are no surprises.

Refinance and Disposition Fees. If we execute a refinance or supplemental loan to return capital to investors, we may charge a 1% refinance fee on the new loan amount, disclosed in the refi closing statement. Upon sale of an asset, we usually charge a 1% disposition fee on the sale price, a success fee for managing the sale process and maximizing value at exit. Both are earned only on a successful transaction.

Capital Placement Fee. For some offerings we may engage a licensed third-party broker-dealer (a placement agent) to help place equity with investors. If we do, that broker-dealer is paid a placement fee of up to 8% of the equity that broker itself places. The base is only the equity the broker raises: it excludes any equity raised in-house by Amethyst's own team, excludes any debt financing, and excludes the sponsor's own co-investment. The fee compensates the registered broker for its capital-raising work, is earned only on equity that broker places, and applies only when a broker is engaged for that offering; it is disclosed in each deal's offering materials. Amethyst's own team members are salaried and do not earn commissions or any transaction-based compensation on your investment.

Performance Incentive (Carried Interest). The primary way we earn our upside is a performance-based profit share. Our standard structure is a 70/30 waterfall: after returning investors' initial capital and a cumulative 8% annual preferred return, 70% of additional profits go to investors and 30% to the sponsor. This split only begins after Limited Partners receive their preferred-return hurdle, so we do not participate in the upside until our investors earn their returns first. We do well only when the project does well.

Co-Investment and Alignment. The Sponsor may co-invest equity alongside limited partners. Any such co-investment is discretionary and is decided offering by offering. **Nothing in this document obligates the Sponsor to co-invest in any particular offering, and no investor should rely on a co-investment being made.** Where the Sponsor does co-invest, the amount is stated in that deal's offering materials, the capital is at risk alongside investor capital, and it is subject to the same preferred return. Our underwriting assumes no sponsor co-investment unless a specific deal provides for one, so the returns shown here do not depend on it.

Investors are never required to guarantee loans, including in 1031 exchange structures; all recourse obligations remain with Amethyst. We also emphasize long-term alignment, often retaining an ownership interest beyond the initial hold and rolling capital or promote interests into subsequent investments. The greatest fee we can earn is investor trust, earned through consistent execution, transparency, and results.

Tax-Advantaged Investing with Amethyst

We design our investments to maximize tax advantages for the benefit of our investors. Two key components are Cost Segregation with Bonus Depreciation and structuring 1031 exchanges both into and out of our deals.

Accelerated Depreciation via Cost Segregation (Bonus Depreciation). When we acquire a multifamily property, one of the first things we do post-closing is commission a Cost Segregation study by a qualified engineering firm. Cost segregation breaks out components of a building (appliances, fixtures, site improvements, and the like) that can be depreciated faster than the standard 27.5-year schedule for residential real estate. By identifying assets with 5, 7, or 15-year depreciation lives, we accelerate a large portion of the depreciation deduction into the early years of ownership.

Under recent tax law, certain depreciable assets qualify for 100% Bonus Depreciation, meaning we can deduct the full value of those short-life assets in the first year. The 2017 Tax Cuts and Jobs Act temporarily allowed 100% bonus depreciation on used property, and in 2025 new legislation (the One Big Beautiful Bill Act of 2025) permanently restored 100% bonus depreciation for qualified property acquired and placed in service after January 19, 2025. In practice, cost segregation typically allocates roughly 20% to 30% of the purchase price to short-life assets, so with 100% bonus in effect, roughly 20% to 30% of the total investment becomes a depreciation write-off in the first tax year.

Worked example. On a \$10 million apartment complex, a cost segregation study might find about \$3 million qualifying for 5, 7, or 15-year depreciation (parking-lot paving, lighting, appliances, cabinets, carpet, landscaping). Under the current 100% bonus law, that entire \$3 million can be taken as a depreciation expense in year one. If the property is producing cash-flow distributions that year, those distributions can be largely tax-free because the investor's share of depreciation exceeds the income, and the K-1 may even show a paper loss alongside positive cash flow. On a \$5 million acquisition where roughly 35% (\$1.75 million) is identified for cost segregation, that is \$1.75 million written off in year one, versus about \$1.05 million under the prior 60% bonus law, an extra \$700,000 in first-year deductions. For a high-bracket (37%) investor, that additional \$700,000 in depreciation could save roughly \$259,000 in taxes that year. An investor who puts in \$250,000 (about 2.5% of a deal's equity) might see first-year depreciation on the order of \$50,000 to \$75,000, depending on the deal.

The result is enhanced after-tax cash flow and, often, a tax loss on your K-1 in the early years that can potentially offset other passive income, even as you receive positive cash distributions. In effect, cost segregation and bonus depreciation act like an interest-free loan from the government: you use the tax savings now to grow your investments.

Accelerated depreciation is a deferral, not a permanent exclusion: when the property is sold, the IRS may recapture some depreciation (taxed at 25% or ordinary rates). Our strategy can defer that further, or eliminate it, via 1031 exchanges. Even if taxes are ultimately paid, deferring them preserves the time value of money and lets tax savings compound in new deals. We handle the heavy lifting, engaging reputable engineers and top cost segregation firms, filing the appropriate forms (such as IRS Form 4562 for depreciation and Form 3115 for method changes), and adhering to the IRS Audit Technique Guidelines. This is not tax advice; exact benefits depend on your personal tax situation, and we always advise consulting your CPA.

1031 Exchange Opportunities, In and Out. A

Section 1031 like-kind exchange lets real estate owners defer capital gains tax by reinvesting sale proceeds into another like-kind property within set timelines. Normally a limited-partner interest in a syndication is a partnership interest, which is not exchangeable. We solve this by structuring deals so that 1031 Co-owners come in and exit without a taxable event, using a Tenant-in-Common (TIC) structure: instead of contributing money as an LP unit, you take direct title to a fractional interest in the property, satisfying the IRS requirement of swapping real property for real property. Economically you receive the same cash flows as any other investor; legally you are a direct owner. A TIC governance agreement lets the Amethyst managing entity run day-to-day operations, and we partner with a reputable Qualified Intermediary (QI) to hold exchange funds and meet the 45-day and 180-day windows.

The same works at exit. When we sell, investors can 1031-exchange their proceeds into our next deal. TIC co-owners can roll their interest directly into a new property and defer taxes again; LPs can be brought into a continuation vehicle or TIC in the new asset. This "swap till you drop" approach lets investors keep deferring deal after deal, and heirs may receive a step-up in basis that eliminates the deferred gain. Exchanging is always optional; those who prefer to take gains and pay tax can do so. Importantly, TIC 1031 Co-owners generally do not sign the loan or provide a personal guaranty; our main sponsor entity signs for debt obligations, so your exposure is limited to your investment. Where some investors exit and others exchange, we can facilitate a partial 1031 (commonly a drop-and-swap TIC structure before sale). We coordinate with a Qualified Intermediary and experienced legal counsel to execute every exchange properly.

Sustainability and Regenerative Practices

We believe in regenerative business practices that create lasting value for both investors and communities. Instead of building new, we recycle aging housing stock by acquiring and repositioning existing properties. Our renovation programs incorporate energy-efficient appliances, lighting, and systems, water-saving fixtures, and durable materials, and where possible we add renewable energy sources such as solar. This reduces environmental impact, lowers operating costs, and extends the useful life of existing housing.

Where We're Headed

We are operating at the edge of what technology allows real estate investors to do, and we intend to stay there. Prism is not a finished product; it is a compounding advantage that we sharpen every quarter. As the engine improves, the same disciplined process reaches further.

Wider coverage. Every submarket we add is a haystack we can now search for free. The direction of travel is more markets monitored, more listings scored, and more genuinely off-market opportunities surfaced before anyone else sees them.

Faster, sharper screening. More data streams, tighter scoring against our thesis, and shorter time from listing to a sourced, source-reconciled underwriting package. Speed is not about cutting corners; it is about getting more qualified finalists to human review without adding headcount or lowering the bar.

Humans on the nuanced work. As software absorbs the repetitive scanning and reconciliation, our experienced team spends its time where judgment actually moves outcomes: reading markets and sponsors, structuring deals, and protecting the downside. We automate the mechanical so people can focus on the nuanced. AI does not write LOIs or close deals. We do, and that will not change.

Deeper transparency. The roadmap points toward investors seeing more of what we see, sooner: live portfolio tracking, richer per-deal dashboards, and reporting that updates as the underlying documents do. Our commitment is simple, the more we can show you, the more we will.

The through-line is constant: use technology to be fast and efficient at scale, keep experienced humans making the calls that matter, and compound both over time. That is how a lean team looks for many needles across many haystacks, and keeps finding the sharpest ones.

Conclusion

Amethyst Projects is more than a real estate investment firm; we are a nimble, experienced, and highly aligned team on a mission to build wealth alongside our investors. This document has outlined our strategy, the market opportunity, our team's qualifications, and the alignment of incentives and tax benefits that make our program distinctive.

Proven Strategy, Prime Timing. We execute a classic value-add multifamily strategy at a time when market conditions are unusually favorable for buyers. With less competition and an expected upswing in fundamentals in our target markets, we acquire 3 to 4 carefully selected properties per year, create value through improvements, and position for growth.

Expert Team, Hands-On Execution. Amethyst is led by a 25-year industry veteran and supported by top-tier talent and partners across management, construction, and finance. We keep a tight ship, ensuring every dollar and every decision is handled by those who know how to maximize it.

Alignment and Transparency. Our incentives are directly aligned with our investors: we often invest our own capital in each deal, earn the bulk of our compensation through performance, and operate with a high level of openness about fees, risks, and operations. We view our investor relationships as long-term partnerships built on trust and mutual success.

CONCLUSION

Maximized After-Tax Returns. Through proactive tax planning (cost segregation and 1031 exchanges), we aim to enhance the real, after-tax returns our investors keep. By minimizing tax friction, more of your money stays working for you, and we handle the complexities.

Focus on Risk Management. While we are bullish on our strategy, we are never reckless. We structure deals to weather storms, diversify across markets, and maintain adequate reserves. Real estate carries no guarantees, but we take a protect-the-downside approach first and foremost.

In sum, Amethyst Projects offers an opportunity to invest in fundamentally solid, income-producing real estate, with a group that has the expertise to unlock additional value and the integrity to put investors first. We are currently seeking accredited investors through a Regulation D, Rule 506(c) offering, and our focus remains investor-first: disciplined underwriting, clear communication, and long-term alignment. We are excited about the road ahead, the deals we will do, the communities we will improve, and the wealth we will create for everyone involved, and we invite you to join us.

Regulatory Framework

All offerings are made pursuant to Regulation D, Rule 506(c) under the Securities Act of 1933, which permits general solicitation provided that all purchasers are verified accredited investors (as defined under Rule 501). Each deal's Private Placement Memorandum (PPM) contains complete legal disclosures, risk factors, and subscription terms. Legal counsel is provided by Sklar Kirsh LLP.

In March 2025, the SEC adopted amendments to Rule 506(c) introducing a new verification safe harbor. Investors who have been verified as accredited within the prior five years, and who self-certify their continued status with minimum investments of \$200,000 or more, can satisfy the verification requirement through this streamlined process. For new investors, traditional verification methods (income, net worth, or professional certification) remain in place.

REGULATORY FRAMEWORK

Combined with our \$50,000 minimum, this creates a clear path: start with a manageable first investment, and as you grow with us, verification for commitments of \$200,000 or more becomes faster and lower-friction. We work with experienced securities counsel to ensure full compliance at every step.

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