BONAVENTURE

BUILT AROUND YOUR CONSTRAINTS

Custom 1031 & 721 Exchanges

Designed for **$7M+ exchanges** requiring precision, control, and institutional-caliber execution.

$1.6B+ Exchanged | 26-Year Track Record

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Some of the statements in this material constitute forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, estimates, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements in this material are subject to inherent qualifications and are based on a number of assumptions. The forward-looking statements in this material involve risks and uncertainties, including statements as to: (i) general volatility of the securities markets in which we plan to trade; (ii) changes in strategy; (iii) availability, terms, and deployment of capital; (iv) availability of qualified personnel; (v) changes in interest rates, the debt securities markets or the general economy; (vi) increased rates of default and/or decreased recovery rates on our investments; (vii) increased prepayments of the mortgage and other loans underlying our mortgage-backed or other asset-backed securities; (viii) changes in governmental regulations, tax rates, and similar matters; (ix) changes in generally accepted accounting principles by standard-setting bodies; (x) availability of trading opportunities in mortgage-backed, asset-backed, and other securities, (xi) changes in the customer base for our business, (xii) changes in the competitive landscape within our industry and (xiii) the continued availability to the business of Bonaventure's resources described herein on reasonable terms.

- The forward-looking statements are based on our beliefs, assumptions, and expectations, taking into account all information currently available to us. These beliefs, assumptions, and expectations can change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, the performance of instruments and business discussed herein may vary materially from those expressed, anticipated or contemplated in our forward-looking statements.

THE RISKS ASSOCIATED WITH INVESTING IN A REAL ESTATE PRIVATE EQUITY FUND GENERALLY INCLUDE:

- Limited Regulatory Oversight – Since private equity funds are typically private investments, they do not face the same oversight and scrutiny from financial regulatory entities such as the Securities and Exchange Commission ("SEC") and are not subject to the same regulatory requirements as regulated investment companies, including requirements for such entities to provide certain periodic pricing and valuation information to investors. Private equity offering documents are not reviewed or approved by the SEC or any US state securities administrator or any other regulatory body. Also, managers may not be required by law or regulation to supply investors with their portfolio holdings, pricing, or valuation information.
- Strategy Risk – Many private equity funds employ a single investment strategy. Thus, a private equity fund may be subject to strategy risk, associated with the failure or deterioration of an entire strategy.
- Use of Leverage and Other Speculative Investment Practices – Since many private equity fund managers use leverage and speculative investment strategies such as options, investors should be aware of the potential risks. When used prudently and for the purpose of risk reduction, these instruments can add value to a portfolio. However, when leverage is used excessively and the market goes down, a portfolio can suffer tremendously. When options are used to speculate (i.e., buy calls, short puts), a portfolio's returns can suffer, and the risk of the portfolio can increase.
- Past Performance – Past performance is not necessarily indicative and is not a guarantee of a private equity fund's future results or performance. Some private equity funds may have little or no operating history or performance and may use hypothetical or pro forma performance that may not reflect actual trading done by the manager or advisor and should be reviewed carefully. Investors should not place undue reliance on hypothetical or pro forma performance.

THE RISKS ASSOCIATED WITH INVESTING IN A REAL ESTATE PRIVATE EQUITY FUND GENERALLY INCLUDE:

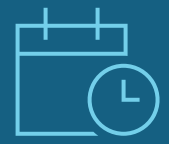
- Limited Liquidity – Investors in private equity funds have limited rights to transfer their investments. In addition, since private equity funds are not listed on any exchange, it is not expected that there will be a secondary market for them. Repurchases may be available, but only on a limited basis. A private equity fund's manager may deny a request to transfer if it determines that the transfer may result in adverse legal or tax consequences for the private equity fund.
- Tax Risks – Investors in certain jurisdictions and in private equity funds generally may be subject to pass-through tax treatment on their investment. This may result in an investor incurring tax liabilities during a year in which the investor does not receive a distribution of any cash from the Fund. In addition, an investor may not receive any or only limited tax information from private equity funds may not receive tax information from underlying investments in a sufficiently timely manner to enable an investor to file its return without requesting an extension of time to file.
- Reliance on Fund Manager; Lack of Transparency – A private equity fund's manager or general partner has total investment authority over the private fund. There is often a lack of transparency as to a private equity fund's underlying investment. Because of this lack of transparency, an investor may be unable to monitor the specific investments made by the private equity fund or to know whether the investments are consistent with the private equity fund's historic investment philosophy or risk levels. Due to the risks mentioned above, it is important to perform proper due diligence in evaluating and choosing private equity fund managers to place your money with. There have been occasions when private equity fund managers took on too much risk in their portfolio and lost a substantial amount of their investors' money.

Securities offered through METRIC FINANCIAL, Member FINRA/SIPC. Metric Financial is not affiliated with Bonaventure Multifamily Income Trust, or Bonaventure Holdings LLC ("Bonaventure").

INVESTMENT DECISIONS MUST BE MADE IN FULL CONSIDERATION OF THE PRIVATE PLACEMENT MEMORANDUM DATED SEPTEMBER 30, 2024.

Complex Dispositions Are Structuring Problems,

NOT JUST CAPITAL EVENTS



TIME

45/180-day deadlines are unforgiving — miss the window, 100% of gains are taxable.

DEBT

Debt must be matched precisely — even small mismatches create taxable boot.

TAX

Deferral structure must be in place before identification — retrofitting rarely works.

CHOOSING YOUR PATH

Which 1031 Structure Fits Your Exchange?

DIRECT 1031 EXCHANGE

Best For

- ✓ Smaller exchanges with manageable sourcing and closing
- ✓ Investors who want full control and plan to self-manage

Benefits

- ✓ Full ownership and control
- ✓ No third-party fees or structures

Considerations

- ✓ Requires active management and deal-sourcing expertise
- ✓ Difficult to execute at $7M+ scale within 45/180-day windows

RETAIL DST / SHELF PRODUCT

Best For

- ✓ Smaller exchanges where shelf terms fit
- ✓ Investors seeking fully passive income

Benefits

- ✓ Fully passive — no operational involvement
- ✓ Pre-structured and ready to close quickly

Considerations

- ✓ Industry-typical 10–15% upfront loads erode returns before day one
- ✓ Preset debt and terms may not fit complex exchanges

CUSTOM 1031 EXCHANGE

Best For

- ✓ Larger exchanges with complex debt, timing, or multi-party requirements
- ✓ Investors wanting passive ownership, institutional execution, and 721 Exchange exit optionality

Benefits

- ✓ Structured around your exchange needs — not the other way around
- ✓ Lower costs to close — more equity working from day one
- ✓ Precision debt matching eliminates boot risk

Considerations

- ✓ Requires a sponsor with structuring expertise and institutional deal sourcing
- ✓ Best outcomes when engaged early — ideally before listing

The Bigger the Exchange, the Bigger the Custom Advantage

	Retail DST / 1031 Product	Bonaventure Custom Structure
Upfront Load / Fees (broker, dealer-manager, org costs)	Industry-typical 10–15% upfront load; on a $7M exchange, $700K–1.05M before day-1	No front-end load; structuring fee only
Asset Selection	Shelf product selected first; structure adapts to product	Strategy first; asset selected to fit your investment criteria
Debt Matching	Pre-set leverage; may not match your debt obligation	Debt matched precisely to your replacement requirements
Ownership Control	Passive; no governance input	Governance rights available where structure allows
721 Optionality	Rarely available; often a separate transaction	Tax-efficient 721-Exchange exit option built in at inception
Timeline Flexibility	Fixed offering windows; may not meet 45/180-day needs	Calibrated to your exchange deadlines

Track Record of Execution

$1.6B

Exchange value deferred across 1031, DST, and 721 structures

$600M+

Sponsor capital invested alongside investors

42

Custom exchanges completed — no two alike

26+ Years

Multifamily ownership and operations — across market cycle

You Sit Back. We Do the Rest.

You skip the search.

We source and pre-negotiate terms for your replacement property before you're under contract to sell.

You skip the structuring.

We build the exchange around your debt, timing, and ownership requirements.

You skip the execution.

We handle diligence, financing, closing, and ongoing management.

Your 1031 Exchange Timeline

PHASE 1

Day −150 to Day 0

Pre-Exchange Preparation

We source and pre-negotiate properties before you're under contract.

PHASE 2

Day 0 to Day 180

1031 Window

Day 0 — You sell — the 1031 clock starts

Day 45 — Property identification deadline

Day 180 — Outside day for 1031 to close — cash flow distributions begin

OPTIONAL

Year 2+

721 Path

~24 mo. post-1031 closing

Optional UPREIT into BMIT*

~12 mo. post-UPREIT

BMIT shares eligible for redemption*

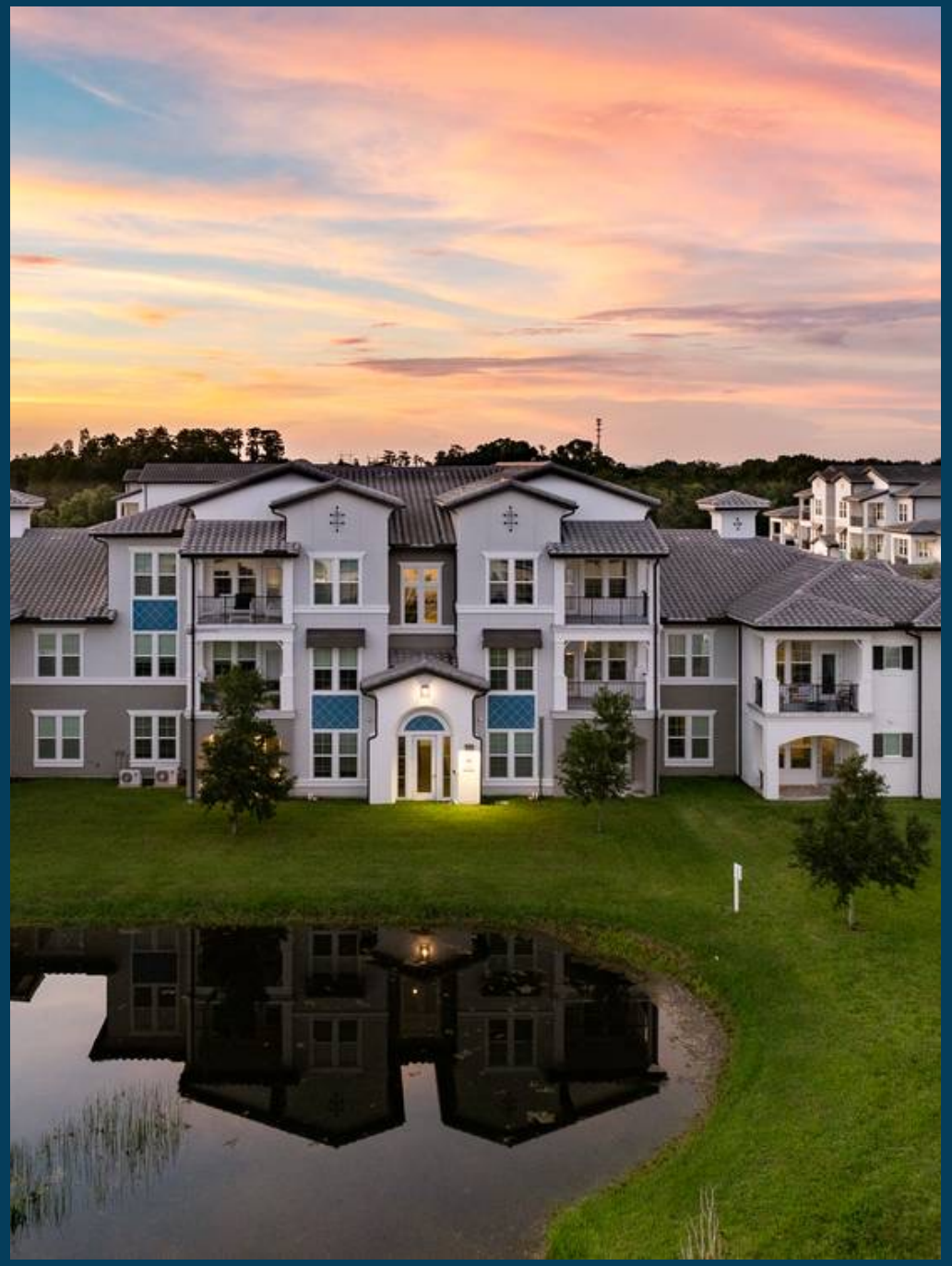
*Optional UPREIT and redemption pathways are at BMIT's discretion, subject to eligibility criteria and the fund's share repurchase plan. Liquidity is not guaranteed.

WE PLAN AHEAD

To Mitigate Risk

Every engagement manages five risks:

- ✓ Timeline Risk — we pre-source to avoid the Day 44 scramble
- ✓ Boot Risk — debt matched precisely to eliminate boot
- ✓ Tax Risk — structure in place before identification, not retrofitted after
- ✓ Ownership Risk — multi-party and estate coordination handled upfront
- ✓ Exit Risk — 721 UPREIT option exit built in at inception, allowing for continued deferral and long-term flexibility



Three Structuring Pathways

- **Fully Custom**
  A structured interest in a stabilized asset, engineered to resolve debt or ownership constraints. Best for: exchanges requiring precise debt matching or complex multi-party exchanges.
- **Tenant-In-Common / Joint Venture**
  Majority capital position with meaningful governance and ownership control. Best for: $10M+ exchanges where decision rights and co-ownership are priorities.
- **Development**
  Exchange capital deployed into institutional-quality development with built-in tax efficiency and future optionality. Best for: investors seeking value creation and long-term holds.

FULLY CUSTOM

TENANT-IN-COMMON / JOINT VENTURE

DEVELOPMENT

CASE STUDY

Flexible Capital Stack Enabled a $14M Transaction

Fully Custom 1031 Exchange

The Situation

- Client needed to reinvest ~$9M from an affordable housing sale into institutional-quality real estate with full tax deferral.
- Debt and timing constraints required a sponsor with both capital and structuring flexibility.

Bonaventure's Solution

- Sourced multifamily property in Norfolk, Virginia
- Bonaventure invested $5M alongside the exchanger's $9M to complete the stack
- Secured 70% LTV HUD loan at 3.11%

The Outcome

- 100% capital gains deferred
- Monthly cash flow distributions
- 721 UPREIT pathway preserved for future transition

CASE STUDY

$19M Across Four Simultaneous Exchanges

TIC-Structured 1031 Exchange

The Situation

- Two clients with four 1031 exchanges totaling $19M in equity.
- Moderate LTV on existing properties allowed flexibility on replacement financing.

Bonaventure's Solution

- Sourced a property from Bonaventure's portfolio that fit cost and equity requirements
- Structured the property as a TIC with a cooperative lender to accommodate all four exchanges
- Coordinated lender, QI, tax counsel, and legal under one roof

The Outcome

- All four exchanges closed on time
- 100% capital gains deferred across all four
- 721 UPREIT pathway preserved for future transition

Is a Custom 1031 Solution Right for You?

✓ **$7M+ exchange event**

Disposition, recapitalization, or contribution of $7M+ in equity.

✓ **Timeline or debt complexity**

Tight timing, debt matching requirements, or capital structure complexity.

✓ **Bespoke structuring required**

No shelf product or standard DST fits your constraints.

✓ **Federal / state tax deferral objective**

Full capital gains deferral is the primary objective.

✓ **Multi-party or estate considerations**

Ownership involves entities, trusts, family members, or co-investors.

Not Sure?

If your situation involves any combination of these factors, a 30-minute structuring consultation costs you nothing — and has helped our clients defer millions in capital gains taxes.

Request a Consultation

Kerry.Peoples@BonaventureCapital.com

Bonaventure.com

What Happens Next

- ✓ 30-min call: we review your constraints, timeline, and objectives. No commitment.
- ✓ Structuring memo: viable pathways, debt scenarios, and fee comparison vs. retail products.
- ✓ Advisor coordination: we work directly with your CPA, counsel, and QI to align on structure.
- ✓ Execution: once aligned, we move with institutional speed — pre-sourced, pre-negotiated, ready to close.

Kerry Peoples
Head of Capital Markets

Kerry.Peoples@BonaventureCapital.com

Bonaventure.com

The Team Behind Your Exchange

Dwight Dunton,
Founder & CEO

Stephen Burch
CFO

Chris Cobb
President, Development

Casey MacMaster
SVP, Investments and Portfolio Manager, BMIT

Barrett Lowell
Head of Asset Management

Kerry Peoples
Head of Capital Markets