



**PRIT CORE REALTY HOLDINGS LLC
BOSTON PATRIOT REAL ESTATE PORTFOLIO**

Financial Statements

December 31, 2025 and 2024

(With Independent Auditors' Report Thereon)

**PRIT CORE REALTY HOLDINGS LLC
BOSTON PATRIOT REAL ESTATE PORTFOLIO**

December 31, 2025 and 2024

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Independent Auditors' Report

The Member
PRIT Core Realty Holdings LLC:

Opinion

We have audited the financial statements of a portfolio with a real estate investment (the Boston Patriot Real Estate Portfolio), as listed in Note 1 to the financial statements, of PRIT Core Realty Holdings LLC, for which the Pension Reserves Investment Management Board (the PRIM Board) is the investment manager, which comprise the statements of net assets, as of December 31, 2025 and 2024, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Boston Patriot Real Estate Portfolio as of December 31, 2025 and 2024, and the results of its operations, changes in its net assets, 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 Financial Statements section of our report. We are required to be independent of the Boston Patriot Real Estate Portfolio, 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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 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 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 Boston Patriot Real Estate Portfolio'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Boston Patriot Real Estate Portfolio'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

Boston, Massachusetts
April 22, 2026

PRIT CORE REALTY HOLDINGS LLC
BOSTON PATRIOT REAL ESTATE PORTFOLIO

Statements of Net Assets

December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets:		
Investment in real estate property at fair value (cost: \$112,365,182 in 2025 and 2024)	\$ 132,000,000	127,000,000
Cash and cash equivalents	10,000	10,000
Other assets	<u>10,347</u>	<u>21,010</u>
Total assets	<u>132,020,347</u>	<u>127,031,010</u>
Liabilities:		
Note payable – related party at fair value (cost: \$67,500,000 in 2025 and 2024)	66,077,995	64,538,022
Accounts payable and accrued expenses	90,250	63,549
Accrued interest payable	13,687	22,812
Rent received in advance	<u>444,398</u>	<u>444,398</u>
Total liabilities	<u>66,626,330</u>	<u>65,068,781</u>
Total net assets	<u>\$ 65,394,017</u>	<u>61,962,229</u>

See accompanying notes to financial statements.

PRIT CORE REALTY HOLDINGS LLC
BOSTON PATRIOT REAL ESTATE PORTFOLIO

Statements of Operations

Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Revenues:		
Rental revenue from investment in real estate property	\$ 5,332,773	5,332,773
Expenses:		
Insurance	10,663	10,663
Administrative and other	163,250	136,550
Interest expense	<u>1,665,255</u>	<u>1,669,818</u>
Total expenses	<u>1,839,168</u>	<u>1,817,031</u>
Net investment income	<u>3,493,605</u>	<u>3,515,742</u>
Net unrealized gain (loss):		
Unrealized gain (loss) on investment in real estate property	5,000,000	(2,000,000)
Unrealized loss on note payable – related party	<u>(1,539,973)</u>	<u>(1,139,483)</u>
Net unrealized gain (loss)	<u>3,460,027</u>	<u>(3,139,483)</u>
Net change in net assets from operations	<u><u>\$ 6,953,632</u></u>	<u><u>376,259</u></u>

See accompanying notes to financial statements.

PRIT CORE REALTY HOLDINGS LLC
BOSTON PATRIOT REAL ESTATE PORTFOLIO

Statements of Changes in Net Assets

Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Portfolio net assets – beginning of year	\$ 61,962,229	65,096,075
From operations attributable to the Portfolio:		
Net investment income	3,493,605	3,515,742
Net unrealized gain (loss)	<u>3,460,027</u>	<u>(3,139,483)</u>
Net change in net assets from operations attributable to the Portfolio	<u>6,953,632</u>	<u>376,259</u>
From capital transactions attributable to the Portfolio:		
Distributions of net investment income	<u>(3,521,844)</u>	<u>(3,510,105)</u>
Net change in net assets from capital transactions attributable to the Portfolio	<u>(3,521,844)</u>	<u>(3,510,105)</u>
Portfolio net assets – end of year	\$ <u><u>65,394,017</u></u>	<u><u>61,962,229</u></u>

See accompanying notes to financial statements.

PRIT CORE REALTY HOLDINGS LLC
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Statements of Cash Flows

Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Net change in net assets from operations	\$ 6,953,632	376,259
Adjustments to reconcile net change in net assets from operations to net cash provided by operating activities:		
Net unrealized (gain) loss	(3,460,027)	3,139,483
Changes in operating assets and liabilities:		
Other assets	10,663	10,663
Accounts payable and accrued expenses	26,700	(16,300)
Accrued interest payable	(9,124)	—
Net cash provided by operating activities	<u>3,521,844</u>	<u>3,510,105</u>
Cash flows from financing activities:		
Distributions of net investment income	<u>(3,521,844)</u>	<u>(3,510,105)</u>
Net cash used in financing activities	<u>(3,521,844)</u>	<u>(3,510,105)</u>
Net change in cash and cash equivalents	—	—
Cash and cash equivalents – beginning of year	<u>10,000</u>	<u>10,000</u>
Cash and cash equivalents – end of year	<u>\$ 10,000</u>	<u>10,000</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 1,674,380	1,669,818

See accompanying notes to financial statements.

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Notes to Financial Statements

December 31, 2025 and 2024

(1) Organization and Summary of Significant Accounting Policies

The Pension Reserves Investment Trust Fund (the PRIT Fund) is a pooled investment fund established to invest the assets of the Massachusetts State Teachers' and Employees' Retirement Systems and the assets of county, authority, district, and municipal retirement systems that choose to invest in the PRIT Fund. The Pension Reserves Investment Management Board (PRIM Board) is charged with the general supervision of the PRIT Fund.

On October 19, 2001, PRIT Core Realty Holdings LLC (the LLC) was formed and is governed by an operating agreement entered into by the PRIM Board, as trustee of the PRIT Fund, as the sole member (the Member). On December 13, 2016, the LLC created Boston Patriot DMRE Holdings LLC, a holding company, with the LLC being the sole member and manager, for the purpose of making investments and any business or activities incidental to or in support of such activities. On December 13, 2016, the LLC also created Boston Patriot DMRE 501(c)(25) LLC, a wholly owned subsidiary of Boston Patriot DMRE Holdings LLC, an indirect, wholly owned subsidiary of the PRIT Fund, and Boston Patriot DMRE Manager LLC (the Manager), which was also created on December 13, 2016 for the purposes of managing the direct investment portfolio, under the name Boston Patriot Real Estate Portfolio (the Portfolio). The sole investment in the Portfolio is held by PC Santa Clara Gateway 2, LLC, formed on December 1, 2016 with the principal purpose of acquiring property and holding title to, and collecting income from, such property, and remitting the entire amount of income from such property, less expenses, to the Member. The Portfolio consists of one investment in real estate property as of December 31, 2025 and 2024, as follows:

Type	Location	Boston Patriot Real Estate Portfolio (Property Name)	2025		2024	
			Cost	Fair value	Cost	Fair value
PC Santa Clara Gateway 2, LLC (Land – ground lease)	5451-5455 Great American Parkway, Santa Clara, CA	Santa Clara Gateway 2	\$ 112,365,182	132,000,000	112,365,182	127,000,000

(a) Basis of Presentation

The accompanying financial statements of the Portfolio have been presented on the fair value basis of accounting in conformity with U.S. generally accepted accounting principles (GAAP).

(b) Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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. The significant estimates made by management in preparing the accompanying financial statements relate to the valuation of one real estate property and the note payable, as described below.

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(c) Fair Value Measurements

GAAP guidance establishes a hierarchal framework that prioritizes and ranks the level of market price observability used in measuring assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of management. Unobservable inputs are inputs that reflect management's estimates about the assumptions market participants would use in pricing the asset or liability developed based on the best information available. Assets and liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, capitalization rates, discount rates, and yield curves that are observable at commonly quoted intervals, as applicable.
- Level 3 inputs are unobservable inputs as applicable for the asset or liability, which are typically based on an entity's own assumptions of what a market participant assumption would be, as there is little, if any, related market activity for the asset or liability. The valuations of the Portfolio's investment in real estate and note payable incorporate significant unobservable inputs and are classified within Level 3 of the fair value hierarchy.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Manager's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The Portfolio has elected the fair value option to measure its note payable. The fair value of this financial instrument is the amount that would be paid to transfer the liability in an orderly transaction between market participants at the measurement date (i.e., the exit price). The Portfolio elects the fair value option to mitigate a divergence between accounting and economic exposure.

(d) Investment in Real Estate Property

Investment in real estate property is reported at fair value. The fair value is based on valuations prepared by independent real estate appraisers (members of the American Institute of Real Estate Appraisers), which have been prepared in accordance with USPAP (Uniform Standards of Professional Appraisal Practice). Annual independent valuations by third-party appraisal firms selected by the PRIM Board are performed on an annual basis. Quarterly, the Manager reviews the latest independent valuation and may approve a change in the value of any real estate investment based on an updated internal valuation if the Manager determines there has been a change in the circumstances since the most recent

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independent valuation date causing a material change in the value of such real estate investment. The fair value of held-for-sale investments is estimated using the expected proceeds from disposition, excluding estimated sales cost, based on contract negotiations with prospective buyers.

The value of the real estate investment has been prepared giving consideration to the income, cost, and sales comparison approaches of estimating property value. The income approach 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. Yield rates and growth assumptions utilized in this approach are derived from market transactions, where available, as well as other financial and industry data. The cost approach estimates the replacement cost of the building less physical depreciation, plus the land value. Generally, this approach provides a check on the value derived using the income approach. The sales comparison approach compares recent transactions to the appraised property. Adjustments are made for dissimilarities, which typically provide a range of value.

The income approach is often used by the appraiser to estimate the fair value of the investment. The income approach requires an estimate of cash flows for each real estate investment over the anticipated holding period. The appraiser's estimates will include (1) the amount of expected future cash flows, (2) the timing of receipt of those cash flows, and (3) the discount and/or capitalization rate for each investment. Cash flows are derived from property rental revenue (base rents plus reimbursements) less operating expenses, real estate taxes, capital and other costs, plus projected sales proceeds in the year of exit. Property rental revenue is based on leases currently in place and an estimate of future leasing activity, which are based on current market rents for similar space plus a projected growth factor. Similarly, estimated operating expenses, real estate taxes and other costs are based on amounts incurred in the current period plus a projected growth factor for future periods. Capital includes all expenditures that add value to the property beyond one year. Anticipated sales proceeds at the end of an investment's expected holding period are determined based on the net operating income of the investment in the year of exit, divided by a terminal capitalization rate. The terminal capitalization rate and the discount rate are significant inputs to these valuations. These rates are based on the location, type and nature of each property, and current and anticipated market conditions or with assumptions that would be used by a third-party participant and assume highest and best use of the real estate investment. In isolation, significant increases in discount or capitalization rates would result in a significantly lower fair value measurement. In isolation, significant decreases in discount or capitalization rates would result in a significantly higher fair value measurement.

Determination of fair value involves subjective judgment because the actual fair value of a real estate investment can be determined only by negotiation between the parties in a sales transaction. The real estate and capital markets are cyclical in nature. Property and investment values are affected by, among other things, the availability of capital, capitalization rates, occupancy rates, rental rates, growth rates, interest rates, inflation rates, discount rates, and tenant improvement and leasing costs. As a result, determining real estate and investment values involves subjective assumptions and estimates. Amounts ultimately realized from each real estate investment may vary from the fair values presented.

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December 31, 2025 and 2024

The following table presents the date of the most recent independent real estate investment valuation for the years ended December 31, 2025 and 2024:

<u>Real estate investment</u>	<u>Independent valuation date</u>
Santa Clara Gateway 2	December 31, 2025
Santa Clara Gateway 2	December 31, 2024

The Portfolio capitalizes leasing and development costs. Development costs include pre-acquisition costs and any project costs, which are directly related to the purchase of real estate property or projects under development and not ready for their intended use. Repairs and maintenance costs are expensed as incurred.

(e) Note Payable – Related Party

Note payable – related party is reported at fair value. Interest expense incurred and expensed during the year ended December 31, 2025 was \$1,665,255 of which \$13,687 was accrued and unpaid. Interest expense incurred and expensed during the year ended December 31, 2024 was \$1,669,818 of which \$22,812 was accrued and unpaid.

(f) Cash and Cash Equivalents

For purposes of the statements of cash flows, all short-term investments with a maturity of three months or less at the date of purchase are considered to be cash equivalents.

(g) Concentration of Credit Risk

Financial instruments that potentially subject the Portfolio to credit risk consist of cash and cash equivalents. The Portfolio may maintain cash and cash equivalents with various major financial institutions in excess of federally insured limits, but limits the allocation of funds to any single major financial institution to minimize the Portfolio's exposure.

(h) Other Assets

Other assets primarily include prepaid insurance.

(i) Rent Received in Advance

Any amounts collected from tenants covering rental periods after December 31, 2025 and 2024 have been reported as rents received in advance.

(j) Income Taxes

The sole member of the LLC, whose holdings include the Portfolio, is the PRIT Fund. The PRIT Fund qualifies as a governmental entity whose income is not subject to federal income tax and is a component unit and integral part of the Commonwealth of Massachusetts. Accordingly, the activities of the PRIT Fund's real estate investments are generally exempt from federal, state and local income tax.

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The Portfolio evaluates the uncertainties of tax positions taken or expected to be taken on a tax return based on the probability of whether the position will be sustained upon examination by tax authorities. The Portfolio uses a more likely than not threshold for recognition and nonrecognition of tax positions taken or to be taken in a tax return. The prior three tax years remain open to examination by applicable jurisdictions in which the Portfolio is subject to tax. The Portfolio concluded that it had no material uncertain tax positions to be recognized as of December 31, 2025 and 2024.

(k) Revenue Recognition and Realized Gains and Losses

Rental revenue from the real estate investment is recognized on an accrual basis in accordance with the terms of the underlying lease agreements.

Sale of real estate investments are accounted for in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 610-20 *Gains and Losses from the Derecognition of Nonfinancial Asset and Liabilities*.

(l) Contributions and Distributions

The LLC may enter into transactions for property acquisitions or dispositions in which funds are transferred directly to or received directly from third parties. Although the corresponding funds may not pass through the Portfolio, such transactions are reflected in the financial statements as contributions and distributions of net investment income and return of capital. A return of capital represents a refund of some or all of the PRIT Fund's real estate investment and reduces the basis of the investment. Distributions to the Member are paid from the real estate investment.

(2) Investment in Real Estate Property

The Portfolio consists of one real estate investment as of December 31, 2025 and 2024. The fair value of this real estate investment was \$132,000,000, the cost was \$112,365,182, and the cumulative unrealized gain was \$19,634,818 as of December 31, 2025. The fair value of this real estate investment was \$127,000,000, the cost was \$112,365,182, and the cumulative unrealized gain was \$14,634,818 as of December 31, 2024.

The following tables present the placement in the fair value hierarchy of the real estate investment that is measured at fair value on a recurring basis at December 31, 2025 and 2024:

Fair value measurement at reporting date using				
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	December 31, 2025			
Assets:				
Real estate investment	\$ 132,000,000	—	—	132,000,000

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Fair value measurement at reporting date using				
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	December 31, 2024			
Assets:				
Real estate investment	\$ 127,000,000	—	—	127,000,000

The following is a reconciliation of the changes in assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
	Real estate investment	
Asset at fair value using unobservable inputs (Level 3):		
Beginning balance	\$ 127,000,000	129,000,000
Net unrealized gain (loss) on investment in real estate property	5,000,000	(2,000,000)
Ending balance	\$ 132,000,000	127,000,000

The following table presents quantitative information about the significant unobservable inputs related to Level 3 fair value measurements on a recurring basis for the real estate investment as of December 31, 2025 and 2024:

Real estate investment type	Fair value at December 31, 2025	Primary valuation technique	Unobservable inputs	Factors
Land – ground lease	\$ 132,000,000	Discounted cash flow (DCF)	Terminal cap rate Discount rate DCF term (years)	5.50 % 6.25 % 10 years

Real estate investment type	Fair value at December 31, 2024	Primary valuation technique	Unobservable inputs	Factors
Land – ground lease	\$ 127,000,000	Discounted cash flow (DCF)	Terminal cap rate Discount rate DCF term (years)	5.25 % 6.00 % 10 years

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Notes to Financial Statements

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Future Minimum Rentals

The Portfolio leases its real estate investment to a single tenant under a ground lease agreement through February 15, 2081 that is classified as an operating lease. Future minimum rental payments on the noncancelable lease as of December 31, 2025 are as follows:

	<u>Amount</u>
Year ending December 31:	
2026	\$ 6,332,112
2027	6,332,112
2028	6,332,112
2029	6,332,112
2030	6,332,112
Thereafter	<u>317,415,936</u>
Total	\$ <u>349,076,496</u>

The above table includes rent in 2026 of \$6,332,112. Rent increases occur every five years based upon CPI adjustments for the San Francisco-Oakland-San Jose CSA with the next increase expected to occur in 2026. The CPI adjustment is the increase in CPI over the full 5 years between adjustment dates. Future CPI adjustments for rent increases are excluded from the above schedule.

(3) Purchases of Real Estate Properties

There were no purchases of real estate investments during the years ended December 31, 2025 and 2024.

(4) Sales of Real Estate Properties

There were no sales of real estate investments during the years ended December 31, 2025 and 2024.

(5) Boston Patriot Real Estate Portfolio Geographic Composition

The Portfolio has one real estate investment located in the Pacific Division of the United States of America based on divisions established by the National Council of Real Estate Investment Fiduciaries.

(6) Note Payable – Related Party

On March 10, 2017, PC Santa Clara Gateway 2, LLC entered into a promissory note payable with the LLC. The note payable bears interest at 2.43325% and matures on March 10, 2027, with monthly interest-only payments calculated on an actual/360 basis. The note payable balance as of December 31, 2025 and 2024 was \$67,500,000. The entire unpaid principal amount and any interest accrued may be prepaid without premium or penalty otherwise the remaining amount unpaid will be due at maturity.

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The following table presents the placement in the fair value hierarchy of the note payable – related party that is measured at fair value on a recurring basis for which the fair value option has been elected at December 31, 2025 and 2024:

Fair value measurements at reporting date				
	December 31, 2025	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities:				
Note payable – related party	\$ 66,077,995	—	—	66,077,995

Fair value measurements at reporting date				
	December 31, 2024	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities:				
Note payable – related party	\$ 64,538,022	—	—	64,538,022

A summary of changes in the fair value measurement of the note payable using significant unobservable inputs (Level 3) at December 31, 2025 and 2024 is as follows:

	2025	2024
	Note payable – related party	
Liabilities at fair value using unobservable inputs (Level 3):		
Beginning balance	\$ 64,538,022	63,398,539
Net unrealized loss	1,539,973	1,139,483
Ending balance	\$ 66,077,995	64,538,022

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December 31, 2025 and 2024

The following shows quantitative information about significant unobservable inputs related to Level 3 fair value measurements on a recurring basis for the note payable – related party as of December 31, 2025 and 2024:

	Fair value at December 31, 2025	Valuation technique	Unobservable input	Rate
\$	66,077,995	Discounted cash flow (DCF)	Credit spreads	6.10 %
	Fair value at December 31, 2024	Valuation technique	Unobservable input	Rate
\$	64,538,022	Discounted cash flow (DCF)	Credit spreads	6.72 %

(7) Commitments and Contingencies

In the normal course of business, from time to time, the Portfolio is involved in legal actions relating to the ownership and operation of its investment. In management's opinion, the liabilities, if any, that may ultimately result from such legal actions, after any applicable insurance coverage, are not expected to have a material adverse effect on the Portfolio's financial position, results of operations, or liquidity.

Generally, the real estate investment acquired by the Portfolio has been subjected to environmental reviews. While some of these assessments have led to further investigation and sampling, none of the environmental assessments have revealed, nor is the Portfolio aware of, any environmental liability that the Portfolio believes would have a material adverse effect on its business or the financial statements.

(8) Subsequent Events

Subsequent events have been evaluated through April 22, 2026, the date on which the financial statements were available to be issued, and it has been determined that there are no events that would require adjustment to or disclosure in the financial statements.