

CONFIDENTIAL

PRIVATE PLACEMENT MEMORANDUM

Holiday Terrace, LP

A Missouri Limited Partnership

March 19, 2018

\$50,000 MINIMUM INVESTMENT

SUMMARY OF OFFERING

This Private Placement Memorandum (Memorandum) relates to the sale (Offering) of Class A Limited Partner Interests in Holiday Terrace, LP, a Missouri limited partnership (the Company). The individual Unit price, Minimum and Maximum Dollar Amounts of the Offering are described below.

- Minimum number of Class A Limited Partner Interests to be sold: 1,000
- Maximum number of Class A Limited Partner Interests to be sold: 1,300
- Minimum Dollar Amount of Offering: \$1,000,000
- Maximum Dollar Amount of Offering: \$1,300,000
- Individual Unit Price: \$1,000
- Minimum purchase required: 50 Units or \$50,000

Class A Limited Partner Interests	Price to Investors	Sellers' Commissions	Proceeds to the Company
Per Unit	\$1,000	\$0.00	\$1,000
Minimum Dollar Amount	\$1,000,000	\$0.00	\$1,000,000
Maximum Dollar Amount	\$1,300,000	\$0.00	\$1,300,000

The Offering commenced on March 19, 2018. Funds needed to close on the Property must be raised within 120 days of the date of the first investment by an Investor or such time as the Property is no longer under contract. The Company will not hold undisbursed Subscription funds for longer than 90 days. However, the General Partner may elect to keep this Offering open up to one year after the close of the Property.

IMPORTANT NOTICES TO INVESTORS

FOR THIS OFFERING, THE GENERAL PARTNER IS RELYING ON EXEMPTIONS FROM SECURITIES REGISTRATION UNDER THE FEDERAL SECURITIES AND EXCHANGE COMMISSION'S REGULATION D, RULE 506(B) AND REGULATION S (REGARDING NON-U.S. PERSONS.)

EACH PURCHASER HEREOF REPRESENTS THAT IT IS PURCHASING FOR ITS OWN ACCOUNT (OR A TRUST ACCOUNT IF THE PURCHASER IS A TRUSTEE) AND NOT WITH A VIEW TO RESELL THE SECURITY. PER RULE 144 OF THE SECURITIES AND EXCHANGE COMMISSION, AFTER INITIAL SALE, THE SECURITIES MAY NOT BE RESOLD WITHIN ONE YEAR WITHOUT REGISTRATION OR QUALIFICATION FOR AN EXEMPTION FROM REGISTRATION.

THIS PRIVATE PLACEMENT MEMORANDUM (MEMORANDUM) HAS BEEN PREPARED FOR SUBMITTAL TO A LIMITED NUMBER OF POTENTIAL INVESTORS SO THEY CAN CONSIDER THE PURCHASE OF AN INTEREST IN THE COMPANY. IT IS NOT AUTHORIZED FOR ANY OTHER PURPOSE. IF YOU ACCEPT DELIVERY OF THIS MEMORANDUM YOU AGREE TO RETURN IT OR DESTROY IT AND ALL ENCLOSED DOCUMENTS, IF YOU DO NOT PURCHASE AN INTEREST WITHIN THE TIME ALLOWED. THIS MEMORANDUM MAY NOT BE REPRODUCED IN WHOLE OR IN PART, OR FORWARDED TO OTHER POTENTIAL INVESTORS. IT MAY ONLY BE DISTRIBUTED AND DISCLOSED TO THE PROSPECTIVE INVESTORS TO WHOM IT IS PROVIDED DIRECTLY BY THE GENERAL PARTNER.

THESE SECURITIES ARE OFFERED ONLY TO A SELECT GROUP OF INVESTORS WHO MEET THE STANDARDS SET FORTH IN SECTION 1 HEREOF. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL TO OR A SOLICITATION OF AN OFFER TO BUY FROM ANYONE IN ANY STATE OR IN ANY OTHER JURISDICTION WITHIN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN REVIEWED OR RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS MEMORANDUM REFLECTS CONDITIONS OF THE COMPANY AS OF THE DATE HEREOF. CONDITIONS REGARDING THE AFFAIRS OF THE COMPANY MAY CHANGE AFTER THE DATE HEREOF.

THE SECURITIES OFFERED HEREBY ARE SPECULATIVE AND AN INVESTMENT IN THE SECURITIES INVOLVES A HIGH DEGREE OF RISK. SEE “RISK FACTORS.” INVESTORS MUST BE PREPARED TO BEAR THE ECONOMIC RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THERE IS THE POSSIBILITY THAT THE PROCEEDS OF THIS OFFERING WILL BE INSUFFICIENT TO MEET THE INVESTMENT OBJECTIVES THE GENERAL PARTNER HAS ESTABLISHED. BEFORE PURCHASING ANY OF THE UNITS OFFERED THROUGH THIS MEMORANDUM, THE GENERAL PARTNER RECOMMENDS THAT EACH INVESTOR CONSULT WITH AN ATTORNEY, A FINANCIAL ADVISOR, AND/OR AN ACCOUNTANT TO DETERMINE IF THIS INVESTMENT IS SUITABLE FOR THEM.

THIS MEMORANDUM DOES NOT PURPORT TO BE ALL-INCLUSIVE OR CONTAIN ALL INFORMATION THAT A PROSPECTIVE INVESTOR MAY DESIRE IN INVESTIGATING THE COMPANY. EACH INVESTOR MUST RELY ON HIS OR HER OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING AN INVESTMENT DECISION WITH RESPECT TO THE SECURITIES OFFERED.

INFORMATION IN THIS MEMORANDUM SHOULD NOT BE CONSIDERED TO BE LEGAL, BUSINESS, OR TAX ADVICE. EVERY PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN ATTORNEY, FINANCIAL ADVISOR, AND TAX ADVISOR ABOUT THIS INVESTMENT.

THE CLASS A LIMITED PARTNER INTERESTS DESCRIBED HEREIN ARE OFFERED ONLY TO INVESTORS WHO MEET THE SUITABILITY STANDARDS ESTABLISHED BY THE GENERAL PARTNER. THERE IS A POSSIBILITY OF CONFLICTS OF INTEREST ARISING BETWEEN THE LIMITED PARTNERS AND THE GENERAL PARTNER, WHICH WILL OWN GENERAL PARTNER INTERESTS IN THE COMPANY.

PRIOR TO MAKING AN INVESTMENT DECISION, A PROSPECTIVE INVESTOR SHOULD REVIEW AND CONSIDER THIS ENTIRE MEMORANDUM. ANY DOCUMENTS OR EXHIBITS ATTACHED TO OR REFERENCED IN THIS MEMORANDUM ARE IMPORTANT TO YOUR UNDERSTANDING OF THIS INVESTMENT. THE GENERAL PARTNER HIGHLY RECOMMENDS THAT YOU CAREFULLY READ ALL PROVIDED OR REFERENCED DOCUMENTS AND EXHIBITS, WHETHER ELECTRONIC OR HARD COPY, IN ADDITION TO READING THE TEXT OF THIS MEMORANDUM.

THIS MEMORANDUM IS BASED ON INFORMATION PROVIDED BY THE GENERAL PARTNER AND BY OTHER SOURCES THE GENERAL PARTNER DEEMS RELIABLE. HOWEVER, THE GENERAL PARTNER CANNOT PROVIDE ASSURANCES WHETHER THE INFORMATION PROVIDED BY THESE OTHER SOURCES IS ACCURATE OR COMPLETE.

THIS MEMORANDUM (TOGETHER WITH ANY EXHIBITS, AMENDMENTS OR SUPPLEMENTS AND ANY OTHER INFORMATION THAT MAY BE FURNISHED TO PROSPECTIVE INVESTORS BY THE GENERAL PARTNER) INCLUDES OR MAY INCLUDE CERTAIN STATEMENTS, ESTIMATES, AND FORWARD-LOOKING

PROJECTIONS WITH RESPECT TO THE ANTICIPATED FUTURE PERFORMANCE OF THE COMPANY. SUCH STATEMENTS, ESTIMATES, AND FORWARD-LOOKING PROJECTIONS REFLECT VARIOUS ASSUMPTIONS OF THE GENERAL PARTNER THAT MAY OR MAY NOT PROVE TO BE CORRECT OR THAT MAY INVOLVE VARIOUS UNCERTAINTIES. NO REPRESENTATION IS MADE, AND NO ASSURANCE CAN BE GIVEN, THAT THE COMPANY CAN OR WILL ATTAIN THE GENERAL PARTNER'S PROJECTED RESULTS. ACTUAL RESULTS MAY VARY, PERHAPS MATERIALLY, FROM SUCH PROJECTIONS.

ANY ADDITIONAL INFORMATION OR REPRESENTATIONS GIVEN OR MADE BY THE COMPANY OR THE GENERAL PARTNER IN CONNECTION WITH THIS OFFERING, WHETHER ORAL OR WRITTEN, ARE SUPERSEDED IN THEIR ENTIRETY BY THE INFORMATION SET FORTH IN THIS MEMORANDUM AND ITS EXHIBITS (ALL OF WHICH ARE INCORPORATED HEREIN BY REFERENCE), INCLUDING, BUT NOT LIMITED TO, THE RISK FACTORS DESCRIBED HEREIN.

EACH PURCHASER, PRIOR TO HIS OR HER PURCHASE OF THE SECURITIES OFFERED HEREIN, SHALL HAVE THE OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, A REPRESENTATIVE OF THE COMPANY AT ITS PRINCIPAL OFFICE DURING NORMAL BUSINESS HOURS, CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING AND TO OBTAIN ANY ADDITIONAL INFORMATION WHICH THE COMPANY POSSESSES OR CAN ACQUIRE WITHOUT UNREASONABLE EFFORT OR EXPENSE AS NECESSARY TO VERIFY THE ACCURACY OF INFORMATION FURNISHED IN THIS MEMORANDUM. PROSPECTIVE INVESTORS WHO WISH TO OBTAIN SUCH INFORMATION OR HAVE QUESTIONS SHOULD CONTACT THE FOLLOWING MANAGER OF THE GENERAL PARTNER:

Holiday Terrace GP, LLC
c/o Derek Scruggs
BlueSpruce Holdings, LLC
Managing Partner
55 Madison Street, Suite 530
Denver, CO 80206
303-808-6614
dj@realbluespruce.com

EXECUTIVE SUMMARY	
Definitions	Capitalized terms herein are described in the Definitions, Section 13 of this Memorandum. References to Sections (within this Memorandum) mean sections of this Memorandum, except in the Section 14 hereof, where the word Section may refer to section of the Appendices to the Agreement. References to Articles mean specific provisions of the Limited Partnership Agreement (the Agreement).
Company Objectives	<p>Holiday Terrace, LP (the Company) intends to purchase a specific multi-family property (the Property) in Branson, MO using funds raised from the sale of Class A Limited Partner Interests in the Company to private investors.</p> <p>The Company was newly formed as a single asset entity whose sole purpose is to acquire, operate, and ultimately dispose of the Property. The Company expects to generate Distributable Cash (after paying expenses and debt service) from operations and eventual sale of the Property that it can share with its Limited Partners.</p>
Company Information	Holiday Terrace, LP is a Missouri limited partnership with two classes of Limited Partners. Class A Limited Partners are those Persons who purchase Class A Limited Partner Interests via this Offering. The Class B Limited Partner will receive Class B Limited Partner Interests in exchange for services to the Company. The General Partner, its affiliates, and/or others determined by the General Partner, provide management or other services to the Company.
General Partner	The General Partner of the Company is Holiday Terrace GP, LLC, a Missouri limited liability company, whose role will be to manage the Company and oversee management of the Property. The members of the General Partner are described in Section 2.2.
The Property	The Property consists of an 83-unit, multi-family property, currently known as Holiday Terrace Apartments, located in Branson, MO.
Offering Terms	<p>The interests offered herein are exempt from securities registration under Regulation D, Rule 506(b) and that afforded under Regulation S (for non-U.S. Persons) of the Federal Securities and Exchange Commission for private placement offerings.</p> <p>Each Class A Limited Partner Interest is priced at \$1,000. The Minimum Dollar Amount to be raised by the sale of Class A Limited Partner Interests is \$1,000,000 (1,000 units) and the Maximum Dollar Amount to be raised by the</p>

EXECUTIVE SUMMARY	
	sale of Class A Limited Partner Interests is \$1,300,000 (1,300 Units). The Minimum Investment Amount required of a single Investor is \$50,000 (or the purchase of 50 Units). The Class A Limited Partners will be purchasing 70% of the Interests in the Company.
Investor Qualifications	Only Accredited Investors and up to 35 Sophisticated Investors may purchase Class A Limited Partner Interests via this Offering. Each Investor must attest that it meets these standards.
Location of Funds	During the Offering Period, funds collected from the sale of Class A Limited Partner Interests will be deposited in a bank account in the Company's name or in the Property escrow account.
Timing of the Offering	<p>The Offering commenced on March 19, 2018. If the Minimum Dollar Amount has not been raised within 120 days of the date of the first investment by an Investor, or such time as the Property is no longer under contract, the General Partner will not Break Impounds and all funds, including any interest earned thereon, will be returned to the Investors without deduction.</p> <p>The General Partner has the sole discretion to rescind the Offering prior to Breaking Impounds, or to terminate the Offering prior to raising the Maximum Dollar Amount.</p>
Use of Proceeds	Funds raised from this Offering will be used to purchase, improve, operate, and ultimately dispose of the Property, to reimburse the General Partner for its acquisition costs, and to compensate the General Partner in the form of Fees for making this investment opportunity available to investors.
Allocation of Distributions, Profits and Losses	Class A Limited Partners will receive 70% of the Distributable Cash from Operations made to the General Partner and Limited Partners, collectively. Class B Limited Partners will receive 29% and the General Partner will receive 1% of the Distributable Cash. Distributions are described in Section 4 hereof. Distributions to the Limited Partners will be allocated pro-rata in accordance with their respective Percentage Interests. On refinance of the Property or Sale of the Property, the Class A Limited Partners will receive 70% of the total remaining available cash from such sale or refinance. Class B Limited Partners will receive 29% of the remaining cash. The General Partner will receive the remaining 1% of remaining cash.

EXECUTIVE SUMMARY	
General Partner's Compensation	The General Partner will be reimbursed for its expenses and will receive Fees as described in Sections 3, 4 and 5 hereof. Additionally, the General Partner (or its members or their Affiliates) will retain all or a portion of the General Partner Interests in the Company. Members of the General Partner will receive Distributable Cash on account of their General Partner Interests.
Risk Factors and Conflict of Interest	Investment in the Company involves various risks, including certain risks associated with the lack of liquidity of the investment, risks associated with the real estate industry, regulatory risks, and federal income tax risks. The General Partner, by virtue of its General Partner Interests and Fees, may have conflicts of interest with the Limited Partners.
Liquidity & Transferability	<p>An investment in Class A Limited Partner Interests may be illiquid. Investors should be prepared to leave their funds invested in the Company until such time as the Property is sold.</p> <p>Class A Limited Partners may be able to transfer their Interests on their own at a future date (subject to the terms described in the Limited Partnership Agreement), but no Interests may be sold for at least one year after purchase. All Class A Limited Partners must certify that they are buying the Interests for their own account and not with a view toward resale.</p> <p>General Partner Interests are generally provided in exchange for services to the Company and may be granted, sold, transferred, or conveyed solely by action of the General Partner. As such, General Partner Interests are generally not saleable or transferable and may be revoked solely by action of the General Partner without regard for the disassociation or transfer provisions of the Limited Partnership Agreement.</p>
Duration of the Investment	The General Partner expects that the Company will own and operate the Property for four (4) to six (6) years. On sale of the Property, the Company will be dissolved unless the Limited Partners have voted to continue the Company.
Individual Interests Are Not Suitable for 1031 Exchange	The Interests being offered herein are considered by the IRS as personal property/partnership interests, which are not suitable for 1031 exchange. Investors seeking to do a 1031 exchange should not invest in this Offering.

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	However, at the time of sale, the Company may elect to exchange its Property for another under 1031 exchange rules. See Section 1.3 hereof.

THESE CLASS A LIMITED PARTNER INTERESTS ARE OFFERED TO INVESTORS WHO MEET THE SUITABILITY STANDARDS ESTABLISHED BY THE GENERAL PARTNER IN SECTION 1. THE PURCHASE OF CLASS A LIMITED PARTNER INTERESTS INVOLVES SUBSTANTIAL RISKS. THERE IS THE POSSIBILITY THAT THE PROCEEDS OF THIS OFFERING WILL BE INSUFFICIENT TO MEET THE INVESTMENT OBJECTIVES AND POLICIES ESTABLISHED BY THE GENERAL PARTNER. THERE IS A POSSIBILITY OF CONFLICTS OF INTEREST ARISING BETWEEN THE LIMITED PARTNERS AND THE GENERAL PARTNER. BEFORE PURCHASING ANY CLASS A LIMITED PARTNER INTERESTS OFFERED THROUGH THIS MEMORANDUM, THE GENERAL PARTNER STRONGLY RECOMMENDS THAT EACH INVESTOR CONSULT WITH AN ATTORNEY, A FINANCIAL ADVISOR, OR A REGISTERED INVESTMENT ADVISOR TO DETERMINE IF THIS INVESTMENT IS SUITABLE FOR THEM.

HOW TO REVIEW THIS OFFERING

The Offering Package. This Offering includes a number of documents, all of which collectively comprise the Offering Package. Each document provided by the General Partner contains information the General Partner deems relevant to an Investor's decision to invest and has the specific purpose described below:

This **Private Placement Memorandum (Memorandum)** essentially tells the "story" of this investment. This Memorandum and its Exhibits are important to an understanding of the securities being offered and the Company objectives. Legally, this Memorandum is the disclosure document required by the Securities and Exchange Commission ("SEC") and/or applicable State securities agency for a private placement Offering, as described in SEC's Guide 5 for real estate securities offerings. This Memorandum describes such things as the structure of the Company, projected Distributions to Investors, compensation to the General Partner, the risks of investing, potential conflicts of interest, and a summary of how the Company will be operated, among other things. The rest of the documents comprising the Offering Package are identified as Exhibits to this Memorandum. Each of the Exhibits identified herein are either attached (if hard copy) or will be provided electronically by the General Partner, and each Exhibit is hereby incorporated by reference as if fully set forth herein.

The **Limited Partnership Agreement (Agreement)**, is Exhibit 2 to this Memorandum. The Agreement describes how the Company will be run. Legally, it is the governing document for Company operations and describes in detail the rights and duties of the Limited Partners and the General Partner, how meetings and votes of the Limited Partners will be conducted, how and when Cash Distributions will be made, where the Company books and records will be kept, how disputes will be resolved, allocation and taxation of Profits and Losses, and how the Company will ultimately be dissolved. The Agreement is the contractual, enforceable contract between the Limited Partners and the General Partner as to operation of the Company. Whenever the term "Agreement" is used by itself, it refers to the Limited Partnership Agreement. Each Limited Partner must review the Agreement and agree to be bound by its terms.

The **Subscription Booklet** is Exhibit 3 to this Memorandum. Each investor must review, complete, and return the Subscription Booklet to the General Partner in order to invest. Legally, it contains the Investor's representations and warranties as to its qualifications and suitability to invest in this Offering and the amount the Investor is planning to invest, and the General Partner's acknowledgment of the investment.

Additional Exhibits that may be provided by the General Partner are identified in Section 11.4. One of the Exhibits is an Investment Summary containing extensive information about the Property. Additional documents the General Partner deems important to your understanding of the Property, the General Partner, or the Company are attached as additional Exhibits.

References Used in this Document. Whenever references are made herein to a Section (when capitalized), they refer to sections of this Private Placement Memorandum; references to Articles (when capitalized), refer to specific clauses in the Limited Partnership Agreement. The definitions of words or phrases capitalized throughout these documents are provided in Section 13 hereof and Appendix D to the Agreement.

Investors Must Conduct Their Own Due Diligence. Before making an investment decision, each prospective Investor should: 1) carefully read this Memorandum and each of the Exhibits in the order set forth in Section 11.4, 2) ask the General Partner any questions they may have, and 3) consult with their financial advisors as they deem necessary to determine the suitability of this investment opportunity for them.

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1. Suitability Standards

The success of a group investment is often enhanced if all of the Limited Partners share a common investment goal, have similar investment experience, and have similar financial capabilities; therefore the General Partner has established Suitability Standards Investors must meet to invest in the Company for the protection of all Limited Partners. The General Partner has established these Suitability Standards after considering the following factors, which each prospective Investor should carefully consider prior to making an investment decision:

- An investment in real estate has many risk factors associated with it, thus an investment in these Units involves the risk that Investors may suffer a complete loss of their investment.
- An investment in these Units has little, if any liquidity. It is unlikely that a market for the resale of these Units will exist. Investors should be prepared to leave their funds invested in the Company until the sale of the Property and the subsequent dissolution of the Company.
- A Limited Partner's return on an investment in these Units will be affected by Federal and State income taxes. Investors should consider the taxable income and losses (Losses) projected for the Property and should understand the importance of their marginal tax bracket in terms of any projected tax liability or savings.
- The Company intends to use funds raised from this Offering to purchase a Property in anticipation that the Property may produce income and increase in value during operation by the Company. However, it is possible that no income will be produced and no increase in value will be realized due to such things as:
 - Fluctuating real estate market conditions in the area where the Property is located;
 - Greater holding costs than anticipated, including property management, marketing, rehabilitation, and/or closing costs;
 - Lack of qualified buyers or institutional financing at the time the Property is placed on the market for sale, which may drive down the price of commercial real estate;

and in that event, equity may not be available for Distribution to Limited Partners on disposition of the Property.

An investment in these Units should be considered long-term in nature. Investors should be in a financial position that will enable them to hold these Units for approximately four (4) to six (6) years, however depending on market conditions, the investment may be sold earlier or held for longer. Investors should be prepared to leave their investment in the Company indefinitely until the Property is sold. Investors should be aware that there might be adverse tax consequences of selling their Units prior to the dissolution of the Company.

1.1 General Solicitation Prohibited

In accordance with the “private placement” exemption from Securities registration allowed under Regulation D, Rule 506(b), all Investors must be able to attest that they did not receive information about the Offering through any means of general solicitation or advertising.

1.2 Investor Qualifications

In addition to those who qualify as “Accredited Investors”, up to thirty-five (35) sophisticated individuals (Sophisticated Investors), who also have a pre-existing personal or business relationship with the General Partner, or non-U.S. Persons (in accordance with Regulation S) will be allowed to purchase Class A Limited Partner Interests. The requirements of each of these designations are provided below. Prior to acceptance of a Subscription, the General Partner will review the Subscription Booklet completed by each prospective Class A Limited Partner to determine whether they meet one of the following qualifications:

1.2.1 *Accredited Investor Requirements*

Individual Investors who wish to purchase Class A Limited Partner Interests as an “Accredited” Investor must meet one of the following Suitability Standards as defined by SEC Rules 501 and 506; 17 CFR 230.501(a);

- A natural person whose individual net worth or joint net worth with that person’s spouse, at the time of the purchase of the Class A Limited Partner Interests, exceeds One Million Dollars (\$1,000,000), disregarding any positive equity in their personal residence. Note, however, that any loans against the personal residence taken out within the sixty (60) days prior to a subscription and any negative equity in the personal residence, (as determined by the Investor), must be considered in the calculation of net worth; or
- A natural person who had individual income in excess of Two Hundred Thousand Dollars (\$200,000) in each of the two most recent years or joint income with that person’s spouse in excess of Three Hundred Thousand Dollars (\$300,000) in each of those years and has a reasonable expectation of reaching the same income level in the current year; or
- A bank, insurance company, registered investment company, business development company, or small business investment company; or
- An employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of Five Million Dollars (\$5,000,000); or
- A charitable organization, corporation, or partnership with assets exceeding Five Million Dollars (\$5,000,000); or
- A director, executive officer, or general partner of the company selling the securities;
- A business in which all the equity owners are accredited Investors; or
- A trust with assets in excess of Five Million Dollars (\$5,000,000) that was not formed to acquire the Units.

1.2.2 Sophisticated Investor Requirements

The General Partner, at its sole discretion may allow no more than thirty-five (35) Sophisticated Investors, whether natural persons or retirement accounts, who do not meet the Suitability Standards for Accredited Investors listed above, to buy Class A Limited Partner Interests. A Sophisticated Investor is one who, alone or with the help of a purchaser representative, or by reason of their educational, business, or financial experience, can be reasonably assumed to have the capacity to understand the fundamental aspects and merits of an investment in the Company. Each subscriber who wishes to qualify based on this standard, must attest to why they believe their qualifications make them sophisticated investors.

1.2.3 Non-U.S. Persons

The General Partner may accept investments from non-U.S. Persons as defined under Rule 902 of Regulation S. The General Partner, for such investors, will rely on the exemption afforded under Regulation S of the Securities Act of 1933.

1.3 Self-Directed IRA Account-Holders

For an entity such as an Individual Retirement Account (IRA) or Self-Employed Person (SEP) Retirement Account, all of the beneficial owners must meet one of the above standards for an Accredited or Sophisticated Investor. The beneficial owners may be either natural persons or other entities if they each of them meet one of the definitions above.

1.4 Investment Unsuitable for 1031 Exchange

The limited partnership Interests being offered in this investment are ineligible for a 1031 exchange. An Investor who may be interested in purchasing or subsequently disposing of their Interest by means of a tax-deferred exchange should not invest in this Offering.

1.5 Restrictions Imposed by the USA PATRIOT Act; Foreign Investors

1.5.1 Investor Identification Program

To help the government fight the funding of terrorism and money laundering activities, Federal law requires the General Partner to obtain, verify, and record information that identifies each Person who subscribes to this Offering.

What this means for you: When you subscribe to this Offering, the General Partner may ask for your name, address, date of birth, state and country of residence, and other information that will allow them to identify you (and every Investor whom your funds represent). The General Partner may also ask to see your driver's license or other government-issued identifying documents. If you are a non-US Person (i.e., someone who is not a U.S. citizen, a U.S. resident alien, or a person living in the U.S. at the time of Subscription), additional identification information issued by your country of residence will

be required. If you are unable or unwilling to provide all of the requested information, the General Partner may deny your Subscription to this Offering.

Foreign Investors (i.e., non-U.S. Persons) should inquire of the General Partner for a complete list of identifying information that will be required specifically of them. Additionally, foreign Investors may be required to complete a supplemental Offeree Questionnaire and/or Subscription Agreement.

1.5.2 Prohibited Transactions with Certain Foreign Investors

The Class A Limited Partner Interests may not be offered, sold, transferred or delivered, directly or indirectly, to any Person who:

- Is named on the list of “specially designated nationals” or “blocked persons” maintained by the U.S. Office of Foreign Assets Control (“OFAC”) at <http://www.ustreas.gov/offices/enforcement/ofac/sdn/> or as otherwise published from time to time; and
- (1) An agency of the government of a Sanctioned Country, (2) an organization controlled by a Sanctioned Country, or (3) a person residing in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC. A “Sanctioned Country” shall mean a country subject to a sanctions program identified on the list maintained by OFAC and available at the following location <http://www.ustreas.gov/offices/enforcement/ofac/sdn/> or as otherwise published from time to time.

In addition, Interests in the Company may not be offered, sold, transferred or delivered, directly or indirectly, to any Person who:

- Has more than fifteen percent (15%) of its assets in Sanctioned Countries; or
- Derives more than fifteen percent (15%) of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries.

NOTE: IF YOU ARE A NON-U.S.PERSON, THE GENERAL PARTNER IS REQUIRED TO CHECK YOUR NAME(S) AGAINST THESE LISTS. IF YOU DO NOT MEET THE REQUIREMENTS DESCRIBED ABOVE, DO NOT READ FURTHER AND IMMEDIATELY RETURN THIS MEMORANDUM TO THE COMPANY OR THE APPLICABLE LIMITED PARTNER OF THE SELLING GROUP. IN THE EVENT YOU DO NOT MEET SUCH REQUIREMENTS, THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER TO SELL INTERESTS TO YOU.

1.6 ERISA Considerations

The Company will accept investments by employee benefit plans subject to ERISA, including Individual Retirement Accounts (IRAs). ERISA rules state that, unless exempt, when benefit plans own twenty-five percent (25%) or more of the total value of any class of Interests offered by the Company, the Interests may be deemed a “Plan Asset”, which could subject the Company to additional fiduciary responsibilities, independent auditing, and reporting requirements. However, the General Partner believes that the Assets of the Company will not constitute Plan Assets within the meaning of the Department of Labor Regulations under

an exemption available when fifty percent (50%) or more of the Assets owned and operated by the Company are real estate investments.

1.7 Subscriptions Subject to Review and Acceptance by the General Partner

The General Partner will review the documents provided by prospective purchasers of Class A Limited Partner Interests (hereinafter “Investor” or “Investors”) to ensure that:

- Each Investor has testified that it meets the Suitability Standards established by the Company set forth in this Section;
- Each Investor has executed and returned the signature and contact information pages of the Agreement; and
- Each Investor has completely filled out the Subscription Booklet and that the information provided is consistent with previous information provided to the General Partner by the Investor.

Documents presented by Investors who do not meet the Suitability Standards established by the General Partner, or which have not been properly completed, will be promptly rejected or returned for correction, as applicable. Prior to acceptance, the General Partner reserves the right to refuse a subscription from any prospective Investor at the General Partner’s sole discretion and/or to request additional information to verify an Investor’s suitability for the Offering.

The General Partner will indicate acceptance of the Subscription in writing by returning a copy of the “Receipt and Acknowledgement” page from the Subscription Booklet for prospective Class A Limited Partners (see Exhibit 3).

2. Summary of the Company

2.1 Limited Partnership

The name of the Company is Holiday Terrace, LP, a Missouri limited partnership (the Company). The principal business address of the Company is:

Holiday Terrace, LP
Holiday Terrace GP, LLC
c/o Derek Scruggs, Managing Member of
BlueSpruce Holdings, LLC
2255 Sheridan Blvd., Suite C-110
Edgewater, CO 80214

or such other place as the General Partner shall determine.

The Company commenced on filing of its Certificate of Formation and shall be perpetual unless sooner terminated under the provisions found in Article 14 of the Agreement.

2.2 General Partner

The initial General Partner of the Company is Holiday Terrace GP, LLC, a Missouri limited liability company (the General Partner). Members of the General Partner include BlueSpruce Holdings, LLC, a Colorado limited liability company (BlueSpruce Holdings) and Yates Group USA, LLC, a Florida limited liability company (Yates Group USA). The Managers of BlueSpruce Holdings are Derek Scruggs and Stephen Gillis. The Manager of Yates Group USA, LLC is J. Roger Yates. Pursuant to a separate Memorandum of Understanding between BlueSpruce Holdings and Yates Group USA, they will split ownership of Holiday Terrace GP, LLC on a 50/50 basis, but voting interest will be 51% to Yates Group USA and 49% to BlueSpruce Holdings. The Managers' biographies are provided in the Investment Summary attached hereto as Exhibit 4.

The address where all correspondence for the General Partner should be sent is:

Holiday Terrace GP, LLC
c/o Derek Scruggs, Managing Member of
BlueSpruce Holdings, LLC
2255 Sheridan Blvd., Suite C-110
Edgewater, CO 80214
303-808-6614

On startup of the Company, Holiday Terrace GP, LLC (or its Affiliates or members) will retain ownership of one percent (1%) of the total Interests in the Company in the Company in exchange for services. The General Partner Interests shall be irrevocable, and subordinate to the Limited Partner Interests.

2.3 Limited Partners

The Company will have the following classes of Interests as further described below:

2.3.1 *Class A Limited Partners*

The Company will sell investment units (Units) or Interests to Investors to raise capital for organization of the Company, Property expenses including the down payment, due diligence, loan fees, and closing costs, necessary for acquisition of the Property, and repairs and maintenance. Investors who acquire Interests in the Company will become Class A Limited Partners of the Company. Class A Limited Partner Interests will comprise seventy percent (70%) of the total Interests in the Company.

2.3.2 *Class B Limited Partners*

Class B Limited Partner Interests will retain twenty-nine percent (29%) of the total Interests in the Company in exchange for services. Class B Limited Partner Interests will be owned by BlueSpruce/Yates Missouri, LLC, a Missouri limited liability company (BlueSpruce/Yates). The Manager of BlueSpruce/Yates is Yates Group USA, LLC.

2.3.3 *General Partner*

On startup of the Company, Holiday Terrace GP, LLC (or its members and their Affiliates, or others whom the General Partner may admit as General Partners) will retain ownership of one percent (1%) of the Interests in the Company in the form of General Partner Interests in exchange for services.

2.4 Specified Offering

This Offering involves acquisition of a specific 83-unit, multi-family property, located at 360 Schaefer Drive, Branson, MO 65616, currently known as Holiday Terrace Apartments (the Property), for a purchase price of Three Million Nine Hundred Thousand Dollars (\$3,900,000). Property amenities include a club house, pool room, exercise room and new coin-operated laundry machines. Additional information is provided in the Investment Summary attached hereto as Exhibit 4.

2.4.1 *Financing*

The General Partner intends to use institutional financing up to Two Million Eight Hundred Sixty-Nine Thousand Dollars (\$2,869,000) for the purchase, soft costs, fees, debt service, and renovations. However, the General Partner reserves the right to accept a loan on different terms or from a different lender if necessary. The actual dollar amount the General Partner will need to raise is dependent on the final loan amount approved by the lender. Upon request, the General Partner will provide an updated loan term sheet if one becomes available during the course of the Offering.

The proceeds from the sale of Interests to Class A Limited Partners will be used to pay for the remaining balance of the purchase price, plus the costs of purchase and General Partner's fees.

2.5 Investment Objective

The primary investment objective of the Company is to acquire, finance, manage, and dispose of the Property in such a manner as to provide its Limited Partners with a return on their investment. The General Partner anticipates that the Company will own the Property for approximately four (4) to six (6) years or more prior to selling it. See the Investment Summary attached hereto as Exhibit 4 for a summary of the General Partner's investment strategies for the Property. The Company's investment objectives and policies are provided in Section 10 hereof.

2.6 Limited Voting Rights of Limited Partners

The Limited Partner Interests offered for sale to prospective Limited Partners of the Company via this Memorandum have limited voting rights. There are limited events on which the Limited Partners can vote. A vote of seventy five percent (75%) of the Limited Partners' Interests (excluding the General Partner) will be required to remove the General Partner for Good Cause (as defined in the Agreement), or to determine a preferred exit strategy for the Property other than a sale. A unanimous vote of the Limited Partners and General Partner will be required to substantively amend the Agreement. Other matters,

including a capital call as described in Article 2.3 of the Agreement, only requires the decision of the General Partner so long as it is in the guidelines of Article 2.3 of the Agreement.

2.7 Depreciation Method to Be Used

The Company will apply the appropriate cost recovery depreciation rules to the improved portion of the Property according to the relevant Internal Revenue Code sections. However, the General Partner may elect an accelerated depreciation option if appropriate for the Company. The General Partner may elect to use the cost segregation method of depreciation for any personal property associated with real property it acquires on behalf of the Company, which allows the Company to use a shorter useful life for certain Assets. The application of those rules to each Partner's Interest is further described in Section 12.5 hereof.

2.8 Company is Self-Liquidating

The investment objectives and policies of the Company provided in Section 10 of this Memorandum state that the Company will be self-liquidating, in that, upon sale of the Property, the Company will be dissolved.

2.9 Definition of Terms

The capitalized terms or phrases used in this Memorandum are defined in Section 13 hereof.

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3. Source and Use of Proceeds

The following table summarizes the source and use of proceeds from this Offering.

Description	Minimum Dollar Amount	Percent	Maximum Dollar Amount (See Section 3.1)	Percent
Gross Offering Proceeds	\$1,000,000	100.00%	\$1,300,000	100.00%
Legal/Organization Expense (See Table 5.1)	\$12,500	1.25%	\$12,500	0.96%
General Partner's Organization and Due Diligence Fee (See Table 5.1)	\$53,615	5.36%	\$136,500	10.50%
Proceeds Available for Investment	\$933,885	93.39%	\$1,151,000	88.54%
Down Payment	\$831,171	83.12%	\$831,171	63.94%
Lender Fees	\$28,688	2.87%	\$28,688	2.21%
Closing Costs	\$21,025	2.10%	\$21,025	1.62%
Working Capital	\$53,001	5.30%	\$270,116	20.78%
Proceeds Invested	\$933,885	93.39%	\$1,151,000	88.54%
Total Application of Proceeds	\$1,000,000	100.00%	\$1,300,000	100.00%

3.1 Dollar Amount

The Maximum Dollar Amount of this Offering is \$1,300,000 or 1,300 Units. The General Partner must raise \$1,000,000 (1,000 units) before the General Partner may Break Impounds and use investor funds ("Minimum Dollar Amount.") If only the Minimum Dollar Amount is raised, the General Partner will defer reimbursement for its expenses and collection of its Organization and Due Diligence Fee until sufficient cash is available, without forfeiting any right to collect, and the General Partner may Advance funds, or obtain a loan from another Limited Partner or third-party as necessary to close on the Property. Deferred reimbursements and Fees, or General Partner loans will be treated as a General Partner Advance and will earn no more than ten percent (10%) interest annually from the date of closing until repaid. Third-party loans may earn a commercially reasonable rate negotiated by the General Partner.

Because there may be substantial purchases by Affiliates of the General Partner, or other Persons who will receive fees or other compensation or gain dependent upon the success of the Offering, no individual Investor should place any reliance on the sale of the Minimum Dollar Amount as an indication of the merits of this Offering. Each Investor must make their own investment decision as to the merits of this Offering.

Furthermore, the General Partner reserves the right to terminate the Offering prior to raising the Maximum Dollar Amount.

3.2 Closing Costs

Some of the proceeds will be used to reimburse the General Partner, its Affiliates, or third-parties for expenses related to acquisition of the Property, for such things as Property transaction closing costs, due diligence and loan fees. Estimated closing costs are shown in Exhibit 4; Actual closing costs may be more or less than the amounts shown in Exhibit 4. If only the Minimum Dollar Amount is raised, the General Partner may advance funds for closing costs, which will earn ten percent (10%) interest from the date of closing until repaid.

3.3 Working Capital and Reserves

Proceeds of the Offering that are not used to acquire the Property will be held in the Company bank account for use as Working Capital and Reserves during operation of the Property. If only the Minimum Dollar Amount is raised then additional Working Capital and Reserves may need to be accumulated from cash flow during operation of the Property and any capital improvements or Distributions to the Limited Partners may be deferred until such time as sufficient Reserves have been accumulated, at the General Partner's sole discretion.

3.4 Deferral of Reimbursements or General Partner's Fees

If only the Minimum Dollar Amount is raised, the General Partner may defer collection of Organization or Due Diligence Fees and reimbursement for the expenses shown in the Maximum Dollar Amount column without forfeiting any right to collect.

4. Distributions to Limited Partners

The Limited Partners may receive Distributable Cash from the Company's operation of the Property it acquires and owns. In general, the General Partner intends to operate the Property it acquires in such a manner as to generate Distributable Cash it can share with the Limited Partners. Distributions to Limited Partners, when made, will be allocated among them in proportion to their Percentage Interests in their respective Class Units.

Distributable Cash, if any will be distributed until expended, in the order described in 4.1 and 4.2 below, depending on the phase of operation of the Company. Distributions will be evaluated on a quarterly basis, although the General Partner anticipates there may not be any Distributions until at least six (6) months after the first Property is acquired. Once Distributable Cash is available, *at the start of each quarter, whenever there was a positive net cash flow before taxes in the preceding quarter, that distributions will be made in accordance with 4.1 below. The Manager may elect to withhold Working Capital and Reserves to ensure sufficient liquidity.*

4.1 Cash Distributions during Operations

Distributable Cash will be split between the Limited Partners in the following order during operations of the Property:

- First, to the Class A Limited Partners, pro rata in accordance with their Percentage Interests, in an amount which will equal 70% of the total distributions made to the Limited Partners and the General Partner, collectively under this Article;
- Second, to the Class B Limited Partners, pro rata in accordance with their Percentage Interests, in an amount which will equal 29% of the total distributions made to the Limited Partners and the General Partner, collectively under this Article; and
- Then, to the General Partner, in an amount equal to all remaining Distributable Cash (1% of the Distributable Cash) with respect to such distribution.

4.2 Cash Distributions from Capital Transactions

Distributable Cash, if any, from a Capital Transaction such as a refinance or disposition of each Property, will be distributed in the order provided below until expended:

- First, the Class A Limited Partners will receive all of the cash as a return of capital until they have received a return of one hundred percent (100%) of their initial Capital Contributions;
- Second, to pay the General Partner any current or deferred Fees, Advances, or Reimbursements;
- Third, to the Class A Limited Partners, pro rata in accordance with their Percentage Interests, in an amount which will equal 70% of the total distributions made to the Limited Partners and the General Partner, collectively under this Article;
- Fourth, to the Class B Limited Partners, pro rata in accordance with their Percentage Interests, in an amount which will equal 29% of the total distributions made to the Limited Partners and the General Partner, collectively under this Article; and
- Thereafter, to the General Partner, in an amount equal to all remaining Distributable Cash (1% of the Distributable Cash) with respect to such distribution.

For the purposes of Cash Distribution calculations only, Cash Distributions to the General Partner and Limited Partners from a Capital Transaction will be treated as a return of capital first, and then a return on investment. The amount of compensation the General Partner and Limited Partners may receive from a Capital Transaction cannot be determined at this time.

4.3 Cash Distributions on Dissolution and Termination

The Company shall be dissolved on the disposition of the Property. Upon dissolution of the Company, all property (Assets) of the Company (including any Distributable Cash) will be distributed as described in Article 14.1 of the Partnership Agreement.

5. General Partner's Fees or Other Compensation

In addition to the Cash Distributions described in Sections 4.1 and 4.2, the General Partner, its members or Affiliates may earn additional compensation in the form of Fees, commissions, reimbursements, interest, or other compensation as further described in Table 5.1 below. Such compensation will be paid as an expense of the Company prior to determining Distributable Cash. General Partner's Fees are authorized in Article 5.2 of the Agreement. The General Partner reserves the right to defer collection of any compensation from the time it is earned until sufficient cash is available without forfeiting any right to collect, and may earn interest on any deferred compensation.

Table 5.1 General Partner's Fees or Other Compensation				
Description	Frequency	Basis for Fee	When Earned	Amount
Expense Reimbursement	On startup and incidentally thereafter	Payment of documented out-of-pocket expenses paid by the General Partner or its Limited Partners on behalf of the Company.	Startup reimbursements due on breaking of impounds, or incidentally thereafter.	Indeterminate.
General Partner's Organization and Due Diligence Fee	One-time Fee	Compensation for efforts of the General Partner in organizing the Company, conducting due diligence on the Property, procuring the acquisition loan, and making this investment opportunity available to Investors.	On Breaking Impounds or as funds are raised thereafter.	\$136,500 which is approximately 3.5% of the purchase price of the Property.
Property Management Fees	Recurring, monthly Fee	To be paid to a third-party property management company, which may be an Affiliate of the Manager. Presently, the Company does not intend to hire a property manager, but reserves the right to hire one if needed.	During Property operations.	Commensurate with local property management rates.
Refinance Fee	One-time Fee	Compensation to the General Partner for its efforts in securing a refinance loan on the Property.	On the refinance of the Property.	1.0% of the new loan amount, or other negotiated amount.
Interest on Deferred Fees or General Partner Advances	Monthly	The General Partner may earn Interest on any deferred Fees, General Partner Advances, or unreimbursed expenses that are not paid when incurred or due.	Starts on date Fee earned for duration of deferment.	Up to a 10% annual rate of interest on the deferred Fee or reimbursement, if any.

6. Conflicts of Interest

It is possible that conflicts of interest will arise between the Company and the General Partner and/or Affiliates of the General Partner. Potential conflicts may be, but are not limited to the following:

6.1 General Partner May Be Involved in Similar Investments

The General Partner may act as a manager or be a Limited Partner in other limited liability companies engaged in making similar investments to those contemplated to be made by the Company. To the extent its time is required on other business and ownership management activities the General Partner may have diminished ability to be involved in the day-to-day monitoring of the Company's operations.

6.2 General Partner May Have Interests in Similar Property

The General Partner may own or may come to own an interest in a property that may compete with Property owned by the Company for tenants or resources. The General Partner will attempt to operate the Property in a manner that does not show favoritism to one property over another and believes that cross-referrals from other properties it owns or manages may provide an advantage, instead of a detriment to the Property.

6.3 General Partner May Act on Behalf of Others

The General Partner may act in such capacity for other Investors, companies, partnerships, or entities that may compete with the Company for Investors and its time and resources.

6.4 General Partner May Raise Capital for Others

The General Partner, who will raise investment funds for the Company, may act in the same capacity for other Investors, companies, partnerships, or entities that may compete with the Company.

6.5 General Partner's Compensation May Create a Conflict

The General Partner will receive compensation from this Offering as described in Sections 4 and 5. The General Partner's interest in earning its own compensation may create a conflict between the interests of the General Partner and those of the Company.

6.6 The General Partner May Hire Affiliates or Delegates

The General Partner may hire an Affiliate of the General Partner or a Limited Partner, or other unaffiliated delegates, contractors, vendors or suppliers to provide services to the Company on its behalf. Fees for such services will be commensurate with rates charged by local providers of such services.

6.7 No Arms-Length Negotiation

Neither the Agreement nor any of the agreements, contracts and arrangements between the Company and the General Partner were or will be the result of arm's-length negotiations. The attorneys, accountants and others who have performed services for the General Partner in connection with this Offering, and who will perform services for the General Partner in the future, have been and will be selected by the General Partner. No independent counsel has been retained to represent Investors' interests, or the interests of the Company, and the Agreement has not been reviewed by any attorney on the Investors' behalf. Each prospective Investor should consult its own counsel as to the terms and provisions of the Agreement and all Exhibits hereto.

7. Duties of General Partner to the Limited Partners; Indemnification

7.1 Fiduciary Duties of the General Partner to the Company

The fiduciary duties the General Partner owes to the Company and the other Limited Partners include only the duty of care, the duty of disclosure and the duty of loyalty, as set forth in the Agreement, Article 6.9. A Limited Partner has a right to expect that the General Partner will do the following:

- Use its best efforts when acting on the Limited Partner's behalf,
- Not act in any manner adverse or contrary to the Limited Partner's interests,
- Not act on its own behalf in relation to its own interests, and
- Exercise all of the skill, care, and due diligence at its disposal.

In addition, the General Partner is required to make truthful and complete disclosures so that the Limited Partners can make informed decisions. The General Partner is forbidden to obtain an advantage at the expense of any of the Limited Partners, without prior disclosure to the Company and the Limited Partners.

7.2 Indemnification of General Partner

The Agreement provides an indemnification of the General Partner for liabilities the General Partner incurs in dealings with third-parties on behalf of the Company. The Company is bound to indemnify and hold the General Partner harmless for any acts or omissions within the authority granted to the General Partner, including reimbursement for its legal expenses, unless the General Partner engages in willful misconduct, bad faith, or fraud. Further, the Agreement contains a provision that each of the Limited Partners shall indemnify and hold harmless the General Partner for any liability associated with any misrepresentation(s) by them as to their suitability for Limited Partnership in the Company, based on the Suitability Standards established by the General Partner in Section 1 hereof.

This indemnification will provide the Limited Partners with a more limited right of action against the General Partner than they would have if the indemnification were not in the

Agreement. This provision does not include indemnification for liabilities arising under the Securities Act of 1933, as, in the opinion of the Securities and Exchange Commission (“SEC”), such indemnification is contrary to public policy.

The complete indemnification provisions are contained in Article 6.11 of the Agreement.

8. Risk Factors

An investment in the Company involves the risk of a complete loss of the Limited Partners’ capital. Potential Investors should carefully consider each of the following factors and discuss them with their own financial advisors, which may include attorneys, accountants, investment advisors, or others, as they deem necessary.

8.1 Risk Factors Related to the Company

8.1.1 The Company Has No Track Record

The Company (Holiday Terrace, LP) is newly formed and has no operational history. It will be managed by the General Partner, whose members do have prior experience in multi-family syndications. See Section 9 below. See also the Company’s Investment Summary, attached hereto as Exhibit 4. An Interest in the Company is a speculative investment involving risk.

8.1.2 Success of the Company Depends on the General Partner’s Abilities

The success of the Company depends upon the General Partner’s ability to acquire, operate, manage, finance and dispose of the Property in a manner that produces Distributable Cash for Distribution to the Limited Partners. Members of the General Partner have experience with similar Property.

The Company will be particularly dependent upon the efforts, experience, contacts and skills of certain managers of the General Partner. The loss of any such individual could have a material, adverse effect on the Company, and such loss could occur at any time due to death, disability, resignation or other reasons.

8.1.3 Lack of Control and Limited Voting Rights of the Limited Partners

The Limited Partners will have no control over the Company’s day-to-day operations, and will be able to vote only on certain, specified decisions including replacement of the General Partner for Good Cause, amendment of the Agreement, and other limited decisions as summarized in Article 7.4, and as described in Articles 8, 11, 12 and 14 and 15 of the Agreement.

If the Limited Partners are unhappy with the services of the General Partner, the all the Limited Partners comprising at least seventy five percent (75%) of the Limited Partner Interests (excluding the General Partner) must affirmatively vote to terminate and replace the General Partner for Good Cause, which is defined in the Agreement. Removal or resignation of the General Partner will require proration of Fees between the removed and replacement General Partner as of the removal date, however, the removed General Partner will still be entitled to Cash Distributions resulting from its General Partner Interests.

8.1.4 Limited Transferability or Liquidity of Class A Limited Partner Interests

The Interests are being offered and sold without registration under the Securities Act, and without registration or qualification under the securities laws of any state, in reliance upon the exemptions from registration provided by Section 4(2) of the Securities Act and Regulation D, Rule 506 promulgated thereunder and certain exemptions from registration and/or qualification under applicable state securities laws and regulations. When subscribing for Interests, each Class A Limited Partner agrees to not resell or offer for resale any of the Interests for at least one (1) year unless the Interests are registered and/or qualified under the Securities Act and applicable state securities laws or unless an exemption from such registration and qualification is available. Furthermore, the General Partner may prohibit transfers that would terminate the Company for tax purposes, that would violate the Securities Act or any rules or regulations thereunder, or any applicable state securities laws or any rules or regulations thereunder, that would subject the Company to the reporting or registration requirements of the Securities Exchange Act of 1934, or that would result in the treatment of the Company as an association taxable as a corporation.

There is no public market for the Interests and it is extremely unlikely that any will ever develop. As a result, the investment in the Company is illiquid should a Class A Limited Partner desire to liquidate their Interest prior to dissolution or termination of the Company. An Investor may be unable to liquidate their investment in the Company even in an emergency. The Company has no obligation, and does not intend, to cause the Interests to be registered under the Securities Act or registered or qualified under the securities laws of any state or to comply with any other provision of law that would permit the Interests to be readily marketable by an Investor. Class A Limited Partners have no right to require registration, to cause the Company to comply with any exemption, or to cause the Company to supply information necessary to enable the Class A Limited Partners to make sales. For all of the foregoing reasons, the Interests should be acquired only as a long-term investment.

There is a risk that no market for the Class A Limited Partner Interests exists and if a Class A Limited Partner attempts to sell their Class A Limited Partner Interests prior to the dissolution of the Company, there is no certainty that the Class A Limited Partner Interests can be sold for full market value or that the Units may be sold at any price.

8.1.5 Interests May be Purchased by Affiliates or Other Parties with a Financial Interest in this Offering

Interests may be purchased by Affiliates of the General Partner, or by other Persons who will receive fees or other compensation or gain dependent upon the success of this Offering. Such purchases may be made at any time and will be counted in determining whether the required Minimum Dollar Amount or Maximum Dollar Amount has been met for the Offering. Investors, therefore, should not expect that the sale of sufficient Interests to reach the Minimum Dollar Amount, or in excess of that amount, indicates that such sales have been made to Investors who have no financial or other interest in the Offering, or who otherwise are exercising independent investment discretion."

8.1.6 Lack of Capital Could Inhibit Meeting Company Objectives

There is a risk that the amount of capital raised in this Offering will be insufficient to meet the investment objectives or operational requirements of the Company. If there is a shortage of capital, the General Partner will use its best efforts to obtain funds from a third-party. Obtaining funds from a third-party may require an increase in the amount of financing the Company will be obligated to repay. In addition, there is no certainty that funds from a third-party will be available at a reasonable cost, requiring a capital call from all Limited Partners. In some instances, the General Partner's only recourse would be to provide an Advance of its own funds, or obtain a loan from a Limited Partner or a third-party, which may or may not be available on terms advantageous to the Company.

If insufficient capital is raised from this Offering, Capital improvements planned by the General Partner will be delayed until sufficient cash flow is generated from operation of the Property, if ever. This could impact the ability of the Company to achieve some of its "investment objectives" identified in Section 10 hereof.

8.1.7 Risk of Not Receiving Any Distributable Cash

Cash flow Distributions will only be available to the extent there is cash flow from rentals and other operations of the Property. Additionally, even if there is cash flow from operations of the Property, the General Partner of the Company, in its sole discretion, may cause the Company to retain some or all of such funds for working capital purposes, further renovation and other reserves. Therefore, there can be no assurance as to when or whether there will be any Cash Distributions from the Company to the Limited Partners. It is possible that the Company will not achieve any Distributable Cash and that the Limited Partners may not receive any Cash Distributions at all.

8.1.8 Lack of Diversification

The Company will own no significant assets other than the Property. The Company has no plans to diversify its investments and minimize the effects of changes in the real estate market in the Property's competitive area. The success of the Company, therefore, will be totally dependent on the success of this Property and its successful management and operation by the General Partner.

8.1.9 Special Risks for Investors Who Acquire More Than 20% of the Equity Interests

Such Investors May Need to Qualify and Sign Loan Documents for the Property

The lender for the Property may require underwriting of Investors who purchase twenty percent (20%) or more of the Interests in the Company. This could require that such Investors provide individual financial statements and sign loan documents on behalf of the Company. Investors who do not wish to be subject to this requirement should acquire less than twenty percent (20%) of the Interests in the Company, which may be a variable amount, depending on whether the Minimum or Maximum Dollar Amount of the offering is raised.

8.1.10 Investors Not Represented by Independent Counsel

The prospective Investors as a group have not been represented by independent counsel in connection with the formation of the Company or this Offering. The Limited Partnership Agreement and amendments thereto have been prepared by counsel for the General Partner and such counsel owes no duties of any kind to any Limited Partners of the Company.

8.2 Risk Factors Relating to the Property

8.2.1 Due Diligence May Not Uncover All Material Facts

The General Partner, through its members, has had extensive prior experience in real estate projects and has endeavored to obtain and verify material facts regarding the Property. It is possible, however, that the General Partner has not discovered certain material facts about the Property, because information presented by the sellers may have been prepared in an incomplete or misleading fashion, and material facts related to the Property may not yet have been discovered.

8.2.2 Financial Projections May Be Wrong

Certain financial projections concerning the future performance of the Property have been delivered to potential Investors in the Investment Summary attached to this Memorandum as Exhibit 4, and incorporated herein by reference. These projections are based on assumptions of an arbitrary nature and may prove to be materially incorrect. No assurance is given that actual results will correspond with the results contemplated by these projections.

These and all other financial projections, and any other statements previously provided to the Purchaser relating to the Company or its prospective business operations that are not historical facts, are forward-looking statements that involve risks and uncertainties. Sentences or phrases that use such words as "believes," "anticipates," "plans," "may," "hopes," "can," "will," "expects," "is designed to," "with the intent," "potential" and others indicate forward-looking statements, but their absence does not mean that a statement is not forward-looking.

Although such statements are based on the General Partner's current estimates and expectations, and currently available competitive, financial, and economic data, forward-looking statements are inherently uncertain. A variety of factors could cause business conditions and results to differ materially from what is contained in any such forward-looking statements.

It is possible that actual results from operation of the Property will be different than the returns anticipated by the General Partner and/or that these returns may not be realized in the timeframe projected by the General Partner, if at all.

8.2.3 Risks Related to Leveraging the Property

The Company intends to use institutional financing to acquire and refinance the Property. The Company's use of leverage increases the risk of an investment in the Company, as it is

possible that rental income from the Property in any given month will be inadequate to pay the monthly debt service required on loans against it. A result of the Company being unable to make the required financing payments on the Property may be that a lender could foreclose and some or all of the Company's investment in the Property could be lost.

There is also the risk that at the time of sale of the Property, the sales proceeds may be less than the amount needed to pay off the total remaining balance of the financing and, as a result, some or all of the Company's investment in the Property will be lost.

There is a risk that if at the end of the of the loan, the Property cannot be sold or refinanced so that the proceeds generated will allow the loan to be paid off, resulting in a short sale or foreclosure, the Limited Partners could suffer a total loss of all capital invested in the Property. However, if the Property is ultimately sold for more than the loan balance, the Limited Partners may be entitled to recover the difference.

8.2.4 Regional, State and Local Economic Conditions

Performance of the Property is likely to be dependent upon the condition of the economy in the area where the Property is located. The General Partner expects to hold the Property for four (4) to six (6) years. However, there is a risk that at the time of the projected sale of a Property, the marketplace may be different than projected, which may require the Property to be held longer than anticipated, or sold at a loss. Despite the General Partner's projections, an Investor should be prepared to leave their Capital Contribution with the Company until the Property is sold.

8.3 Risks Related to Owning Real Estate

8.3.1 General Risks of Real Estate Investing

Factors which could affect the Company's ownership of income-producing Property might include, but are not limited to any or all of the following; changing environmental regulations, adverse use of adjacent or neighboring real estate, changes in the demand for or supply of competing Property, local economic factors which could result in the reduction of the fair market value of the Property, uninsured Losses, significant unforeseen changes in general or local economic conditions, inability of the Company to obtain any required permits or entitlements for a reasonable cost or on reasonable conditions or within a reasonable time frame or at all, inability of the Company to obtain the services of appropriate consultants at the proposed cost, changes in legal requirements for any needed permits or entitlements, problems caused by the presence of environmental hazards on the Property, changes in Federal or state regulations applicable to real property, failure of a lender to approve a loan on terms and conditions acceptable to the Company, lack of adequate availability of liability insurance or all-risk or other types of required insurance at a commercially-reasonable price, shortages or reductions in available energy, acts of God or other calamities. Furthermore, there could be a loss of liquidity in the capital markets such that refinancing or sale of the Property may be hindered.

The Company's investment in the Property will be additionally subject to the risks and other factors generally incident to the ownership of real property, including such things as the effects of inflation or deflation, inability to control future operating costs, inability to attract

tenants, vandalism, rent strikes, collection difficulties, uncertainty of cash flow, the availability and costs of borrowed funds, the general level of real estate values, competition from other properties, residential patterns and uses, general economic conditions (national, regional, and local), the general suitability of the Property to its market area, governmental rules and fiscal policies, acts of God, and other factors beyond the control of the Company.

8.3.2 Uninsured and Underinsured Losses; Availability and Cost of Insurance

The Property is located in the Branson, Missouri area. This geographic area may be at risk for damage to property due to certain weather-related and environmental events, including snow and ice storms, severe thunderstorms, tornadoes and flooding. To the extent possible, the General Partner will attempt to acquire insurance against fire or environmental hazards. However, such insurance may not be available in all areas, nor are all hazards insurable as some may be deemed acts of God or be subject to other policy exclusions.

All decisions relating to the type, quality and amount of insurance to be placed on the Property are made exclusively by the General Partner. Certain types of losses, generally of a catastrophic nature (such as hurricanes, earthquakes and floods) may be uninsurable, not fully insured or not economically insurable. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full prevailing market value or prevailing replacement cost of the Property. Inflation, changes in building codes and ordinances, environmental considerations, and other factors also might make it unfeasible to use insurance proceeds to replace the Property after the Property has been damaged or destroyed. Under such circumstances, the insurance proceeds received might not be adequate to restore the Property.

Recently, the cost of certain types of extraordinary insurance coverage for such things as hurricanes, floods and earthquake has risen substantially. These types of losses are not generally covered in a standard hazard and liability insurance policy. In certain locations, this type of insurance may be unavailable or cost-prohibitive. The Company may proceed without insurance coverage for certain extraordinary risks if it cannot secure an appropriate policy or if the General Partner believes that the cost of the policy is too high with respect to the risks to be insured.

Furthermore, an insurance company may deny coverage for certain claims, and/or determine that the value of the claim is less than the cost to restore the Property, and a lawsuit could have to be initiated to force them to provide coverage, resulting in further Losses in income to the Company. Additionally, the Property may now contain or come to contain mold, which may not be covered by insurance and has been linked to health issues.

8.3.3 Liability for Environmental Issues

Under various federal, state and local environmental and public health laws, regulations and ordinances, the Company may be required, regardless of knowledge or responsibility, to investigate and remediate the effects of hazardous or toxic substances or petroleum product releases (including in some cases natural substances such as methane or radon gas) and may be held liable under these laws or common law to a governmental entity or to third-parties for property, personal injury or natural resources damages and for investigation and remediation costs incurred as a result of the real or suspected presence of these substances

in soil or groundwater beneath the Property. These damages and costs may be substantial and may exceed insurance coverage the Company has for such events.

Buildings and structures on the Property may have contained hazardous or toxic substances, or have released pollutants into the environment; or may have known or suspected asbestos-containing building materials, lead based paint, mold, or insect infestations (such as roaches or bed bugs), that the Company may be required to mitigate.

The General Partner will attempt to limit exposure to such conditions by conducting due diligence on the Property, however, all or some of these conditions may not be discovered or occur until after the Property have been acquired by the Company.

8.3.4 Federal, State and Local Regulations May Change

There is a risk of a change in the current Federal, State and Local regulations as it may relate to the operations of the Property in the area of fuel or energy requirements or regulations, construction and building code regulations, approved property use, zoning and environmental regulations, or property taxes, among other regulations.

8.3.5 Contractors making bids on rehab projects can underestimate material and labor costs along with Scope of Work.

If the Company performs renovations on the Property, it will likely hire contractors based on bids received for the costs of rehab. The Company may hire a contractor that underestimates the material and labor costs, the Property could suffer from cost overruns which could adversely affect investments by Limited Partners.

8.3.6 Cost overruns and unexpected Change Orders can delay a project past the expected hold time.

The Company will not realize a profit until the Property is either cash flow positive or sold. Therefore, if there are cost overruns or multiple unforeseen Change Orders, the Company may not realize a return on investment which could adversely affect Limited Partners' investments.

8.3.7 Title Insurance May Not Cover All Title Defects

The General Partner will acquire title insurance on the Property, but it is possible that uninsured title defects could arise in the future, which the Company may have to defend or otherwise resolve, the cost of which may impact the profitability of the Property and/or the Company as a whole.

8.3.8 Compliance with Americans with Disabilities Act

Under the Americans with Disabilities Act of 1990 (the ADA), all public accommodations are required to meet certain federal requirements related to access and use by disabled persons. A determination that the Property is not in compliance with the ADA could result in imposition of fines or an award of damages to private litigants. If substantial modifications

are made to comply with the ADA, the Company's ability to make distributions to its Limited Partners may be impaired.

8.4 Risk Factors Involving Income Taxes

8.4.1 *The General Partner Will Not Obtain an IRS Ruling*

The Company will elect to be treated as a partnership for Federal income tax purposes. The General Partner has determined not to obtain a ruling from the Internal Revenue Service (IRS) as to the tax status of the group.

8.4.2 *Registration as a Tax Shelter*

The Company may be required to register with the Internal Revenue Service as a "tax shelter."

8.4.3 *Tax Liability May Exceed Cash Distributions from Operations*

As a result of decisions of the General Partner in operating the Company, which may require the suspension of Cash Distributions due to a need to maintain a higher level of cash Reserves, along with other events, there is a risk that, in any tax year, the tax liability owed by a Limited Partner will exceed its Cash Distribution in that year. As a result, some or all of the payment of taxes may be an out of pocket expense of the Limited Partner.

8.4.4 *Tax Liability May Exceed Cash Distribution on Property Disposition*

There is a risk that on the disposition of the Property, the tax liability of the Limited Partner may exceed the Distributable Cash available. In the event of an involuntary disposition of the Property, there is the possibility of a Limited Partner having a larger tax liability than the amount of cash available for Distribution at the time of the event, or at any time in the future.

8.4.5 *Risk of Audit of Limited Partner's Returns*

There is a risk that an audit of the Company's records could trigger an audit of the individual Limited Partner's tax records.

8.4.6 *Risk That Federal or State Income Tax Laws Will Change*

There is a risk associated with the possibility that the Federal or State income tax laws may change affecting the projected results of an investment in the Company. There is a possibility that in the future Congress may make substantial changes in the Federal tax laws that apply to the Company and its Limited Partners.

8.4.7 *Risk That Income Tax Returns May Not Be Timely Prepared*

If the Company is unable to prepare and deliver its Federal or State income tax returns in a timely manner the Limited Partners may be forced to file an extension on their individual income tax returns and may incur a cost to do so, including possible penalties to the Federal

and State governments. If the Company is unable to prepare and deliver the Federal or State income tax returns at all, the Limited Partners may be required to incur additional expenses in employing independent accountants to complete the returns.

8.4.8 Losses Limited to Amounts at Risk

The extent to which a Limited Partner may utilize losses from the Company will be limited to the amount the Limited Partner is found to be "at risk" with respect to the Company.

8.4.9 Limitations on Use of Passive Losses

Losses from a passive activity are not allowed to offset other types of income, such as salary, active business income, and "portfolio income," and may offset income only from other passive activities. The Company anticipates that most of the net income (if any) allocated to the Limited Partners may be used by the Limited Partners to offset the "passive activity losses," if any, of the Limited Partners.

8.4.10 Risk of Including Foreign Investor

The Company may accept Subscriptions from Non-U.S. Persons, in which case there is a risk that: the proper tax withholding amounts will not be withheld or paid by the Non-U.S. Person as required by the Foreign Investor in Real Property Tax Act of 1980 (FIRPTA) and that the Company could remain liable for a Non-U.S. Person's individual tax liabilities to the IRS. There is a further risk that a Non-U.S. Person Investor could be named on the list of Specially Designated Nationals, Blocked Persons, or Sanctioned Countries or Individuals, which, if undiscovered, could result in an enforcement action against the Company by the U.S. Department of the Treasury and/or other federal agencies. In order to mitigate these possibilities, the General Partner will conduct due diligence on each Non-U.S. Person it considers admitting to the Offering, and will attempt to determine whether there are any security restrictions on its admission at the time of its Subscription. Further, if the General Partner admits Non-U.S. Persons to the Offering, the General Partner will employ a CPA versed in international investments on which it will rely to calculate and remit the appropriate withholding amounts.

8.4.11 Risk of Partnership Liability under Centralized Audit Rules

The Company is subject to IRS audit pursuant to sections 6221 through 6241 of the Code, as amended by the Bipartisan Budget Act of 2015 (BBA), a member of the General Partner, or an otherwise identified individual, will serve as the Partnership Representative ("Partnership Representative") and have the sole authority to act on behalf of the Company and its Limited Partners in the audit. All General and Limited Partners shall be bound by the acts of the Partnership Representative in relation to the audit of the Company. Under the new BBA audit procedures, the Company may be assessed additional tax, interest, penalty, or addition to tax. If that occurs, the Company intends to "push out" any liability to Persons who were Partners during the audited year(s), including Persons that are no longer a Partner at the time that the audit adjustment is made. Such Persons will be liable for the additional tax, interest, penalty, or addition to tax in proportion to their Partnership interest during the audited year(s) and will not be afforded the opportunity to challenge the adjustment. There is a risk that if the push out election is unsuccessful, the Company would

be held liable at the entity level for the additional tax, interest, penalty, or addition to tax. In such event, the Company must pay the additional liability. Doing so may require collection of payments from Partners, former Partners, adjustment of Partners' accounts, or the issuance capital calls to raise the necessary funds.

8.4.12 Uncertainty

The partnership examination and implementation of the BBA partnership audit procedures and final regulations are untested. As a result, the Company may bear additional costs to comply with the changing federal and state procedures. Additionally, it is uncertain as to how the various state and local taxing authorities will coordinate with the BBA partnership procedures.

9. Prior Performance of the Company, the General Partner and Affiliates

9.1 History of the Company and General Partner

The Company, Holiday Terrace, LP, is newly formed specifically for the purposes stated herein and in the Investment Summary (Exhibit 4) and has no experience raising and investing funds in any company or Property or in any investments of the type contemplated by this Offering. However, the managers of the General Partner, Holiday Terrace GP, LLC, have extensive experience acquiring, managing, and disposing of multi-family properties. Please see their experience summary in the attached Exhibit 4.

9.2 Financial Statements of the Company

The Company, Holiday Terrace, LP, is newly formed and does not have an audited financial statement. The General Partner will obtain unaudited financial statements for the Company at the end of the Fiscal Year for distribution to the Limited Partners.

9.3 Financial Statements of the General Partner

The General Partner will not make its financial statements available for the Limited Partners to review.

10. Investment Objectives and Policies

10.1 Acquire, Operate and Dispose of Multi-Family Property

The investment objectives and policies of the Company are the acquisition, operation and disposition of the Property in such a manner as to produce a return on investment for its Limited Partners.

10.2 Provide Limited Partners with Commercial Real Estate Investment Opportunities

One of the specific investment Company objectives is to provide the Limited Partners with an opportunity to participate in commercial real estate investment opportunities as part of a group, in order to avail themselves of group ownership benefits, such as commercial property ownership, limited liability, professional property management, and tax benefits that may not otherwise be available to individual Investors. The Company's policy is to operate, manage, and dispose of the Property on behalf of the Limited Partners.

10.3 Provide Limited Partners with Limited Liability

One of the specific investment objectives is to provide the Limited Partners with limited liability for events at the Property and/or actions of the General Partner. The Company's policy will be to operate the Company in such a manner that each Limited Partner remains a passive Investor in order to minimize their potential liability regarding operation of the Company and to operate the Company in such a manner as to afford liability protection to the outside assets of the Limited Partners to the extent allowed under Missouri limited partnership laws.

10.4 Anticipated Property Holding Periods

The Company's investment objective is to operate the Property for four (4) to six (6) years, at which time it will be sold and the proceeds distributed. However, the General Partner will continually explore opportunities for resale, which may occur earlier than the projected hold time. If the Property is sold earlier than anticipated, it may result in an early return of the Class A Limited Partners' Capital Contributions.

If market conditions preclude disposition of the Property at the end of the projected time, the life of the Company may be extended and operations of the Company will need to continue until more favorable market conditions occur and the Property can be sold.

10.5 Provide Cash Distribution to Limited Partners

An investment objective of the Company is to generate Distributable Cash from operations, improvement and/or resale of the Property for "Distribution" to the Limited Partners. Distributions will be evaluated on a quarterly basis, but may not be available until two (2) quarters following the acquisition of the Property.

10.6 Provide for Self-Liquidation

An investment objective of the Company is to manage the Company so that it will be self-liquidating. The Company policy will be to dissolve the Company at such time as the Property has been sold, unless all of the Limited Partners have elected to continue the Company.

10.7 Allow Limited Partners Minimal Involvement in Management

An investment objective of the Company is to provide the Limited Partners with an investment that requires minimal involvement in property or asset management. The Company policy will be for the General Partner to make all decisions regarding the Property on behalf of the Company.

Holiday Terrace GP, LLC is the initial General Partner of the Company and shall manage all business and affairs of the Company unless it is removed for Good Cause (as defined in the Agreement) or resigns. The General Partner shall direct, manage, and control the Company to the best of its ability and shall have full and complete authority, power, and discretion to make any and all decisions and to do any and all things that the General Partner shall deem to be reasonably required to accomplish the business and objectives of the Company. The rights and duties of the General Partner are described in Article 6 of the Agreement.

10.8 Keep Limited Partners Apprised of Property Affairs

The General Partner intends to furnish Limited Partners with quarterly financial status reports for the Company which will include information on the Company cash flow as well as bank reconciliations. The General Partner will prepare an annual information package that it expects to deliver by March 1st of each year. The annual information package will include such things as an annual operations update, financial statements, K-1 forms, and a copy of the Company tax return, as applicable.

The General Partner intends to conduct periodic teleconferences and/or email updates with the Limited Partners, as the General Partner deems necessary to keep them apprised about affairs involving the Company. The Limited Partners of the General Partner will be available to answer questions during normal business hours via telephone or email.

11. Property Information and Exhibits

11.1 Title Insurance

The General Partner intends to obtain title insurance for the Property, naming the Company as the beneficiary.

11.2 Insurance Policies

The General Partner will attempt to obtain property, casualty and liability insurance policies covering the Property as appropriate to protect the Company's Interest in the Property and naming the Company as the beneficiary.

11.3 Other Documents

The General Partner expects that the Company will enter into other legally binding instruments that, in the General Partner's business judgment, are prudent with respect to

the Company's interest in the Property or in effecting the Company's operation or investment objectives.

11.4 Exhibit List

The following Exhibits provide additional relevant information about the Company and the Property, each of which is provided electronically (or hard copy on request) and incorporated herein by reference as if fully set forth herein:

- Exhibit 1 contains the Certificate of Formation for the Company.
- Exhibit 2 is the Limited Partnership Agreement that each Limited Partner must review.
- Exhibit 3 is the Subscription Booklet, which must be completed and signed by each prospective Class A Limited Partner or its financial advisor.
- Exhibit 4 is the Investment Summary showing details about the Property and General Partner.

The General Partner may supplement the Exhibits during the period of the Offering by sending notice to all recipients of the Offering documents with instructions on how to access them.

12. Federal Taxes

The potential Investor should be aware of the material Federal income tax aspects of an investment in the Limited Partner Interests, effective as of the date of this document. An Investor should consult with their tax professional to determine the effects of the tax treatment of the Limited Partner Interests with respect to their individual situation.

12.1 Reporting Status of the Company

The income tax results anticipated from an investment in Interests will depend upon our classification as a partnership for federal income tax purposes rather than an association taxable as a corporation. In the event that, for any reason, we are treated for federal income tax purposes as an association taxable as a corporation, our partners would be treated as stockholders of a corporation with the following results, among others: (i) we would become a taxable entity subject to the federal income tax imposed on corporations; (ii) items of income, gain, loss, deduction and credit would be accounted for by us on our federal income tax return and would not flow through to the partners; and (iii) distributions of cash would generally be treated as dividends taxable to our partners, to the extent of our current or accumulated earnings and profits, and would not be deductible by us in computing our income tax. The effect of application of the corporate system of double taxation on us would result in a large increase in the effective rate of tax on such income because of the application of both corporate and individual tax rates to income and conversion of otherwise non-taxable distributions into taxable dividends.

Regulations regarding entity classification have been issued under the Internal Revenue Code that, in effect, operate to allow a business entity that is not otherwise required to be

classified as a corporation (i.e., an “eligible entity”), to elect its classification for federal income tax purposes. Under the Treasury Regulations, an “eligible entity” that has at least two members will be treated as a partnership in the absence of an election. Accordingly, while our General Partner does not intend to request a ruling from the Internal Revenue Service as to our classification for income tax purposes, we will qualify as an “eligible entity” and need not make any election to be treated as a partnership for federal income tax purposes.

Based upon the entity classification Treasury Regulations, and Internal Revenue Service rulings and judicial decisions under Section 7701(a) of the Internal Revenue Code, all of which are subject to change, and based upon certain representations of the General Partner and other assumptions, we should be treated as a partnership for federal income tax purposes and not as an association taxable as a corporation.

The Company is being formed as pass through entity, where the individual Partners will be taxed at their individual rates and certain taxpayers may be able to take an additional twenty percent (20%) deduction for qualified business income. However, there are phase out provisions which apply to this additional deduction, applied at the taxpayer level. Potential investors should consult their tax professional to see how this additional deduction will apply to them.

12.2 Taxation of Limited Partners

The Company will be treated as a partnership for Federal tax purposes. A partnership is not a taxable entity. A Limited Partner will be required to report on their Federal tax return their distributable share of partnership profit, loss, gain, deductions, or credits. Cash Distributions may or may not be taxable, depending on whether such Cash Distribution is being treated as a return of Capital or a return on investment. Tax treatment of the distributions will be treated according to appropriate tax accounting procedure as determined by the Company's CPA.

12.3 Basis of the Company

An original tax basis will be established for the Company by including the total acquisition cost of the Property. An original tax basis will be established for the Company in the Property based on its purchase price and acquisition costs. The tax basis of the Company will be adjusted during the operations of the Company by the addition of any capitalized expenditures.

12.4 Basis of a Limited Partner

A Limited Partner will establish their original tax basis based on the amount of their initial Capital Contribution. Each Limited Partner's tax basis will be adjusted during operations of the Company by the addition of any Capital Contributions they make. A Limited Partner may deduct their share of Company Losses only to the extent of the adjusted basis of their Interest in the Company.

12.5 Cost Recovery and Recapture

The General Partner will apply the current cost recovery rules to the improved portion of the Property according to the relevant Internal Revenue Code sections, namely: straight-line, using a 27.5-year useful life for residential property and thirty-nine (39) years for non-residential property. The General Partner may elect to use the cost segregation method of depreciation for any personal property associated with real property it acquires on behalf of the Company.

The annual cost recovery deductions that must be taken by the Company will be allocated to the Limited Partners based on their Percentage Interests in the Company. The cost recovery deductions will be available to the Limited Partners to shelter the principal reduction portion of the debt service payments and part of the cash flow distributed by the Company.

According to the current tax code, cost recovery deductions taken during operations may be required to be reported on the sale of the Property and may be taxed at a twenty-five percent (25%) marginal rate, not the more favorable long-term capital gains rates.

12.6 Deductibility of Prepaid and Other Expenses

The Company will incur expenditures for legal fees in association with the set-up of the Company. These expenditures will be capitalized and will be deducted on dissolution of the Company.

The Company will incur expenditures for accounting fees associated with the preparation and filing of the annual informational return and the preparation of Schedule K-1 reports to be distributed to the Limited Partners. These expenditures will be deducted on an annual basis. All other normal operating expenses will be deducted on an annual basis by the Company, which will use a calendar accounting year.

12.7 Taxable Gain

Limited Partners may receive taxable income from Company operations, from the sale or other disposition of a Limited Partner's Interests, from disposition of the Property, or from phantom income. Presently, the maximum Federal tax rate on cost recovery recapture is twenty-five percent (25%). The balance of the taxable gain will be taxed at the capital gain tax rate in effect at that time. Investors should check with their tax professional to for information as to what capital gains tax rate applies to them.

12.7.1 *From Operations*

According to the Company Investment Objectives and Policies, the General Partner is projecting that there will be taxable income to distribute to the Limited Partners on the Schedule K-1 report provided to each Limited Partner annually.

12.7.2 *From Disposition, Dissolution and Termination*

On disposition of the Property or on dissolution and termination of the Company, which will likely be caused by the sale of the Property, the Limited Partners may be allocated taxable

income that may be treated as ordinary income or capital gain. Article 4 of the Agreement describes Cash Distributions from disposition of the Property, and Article 14 describes Cash Distributions on dissolution and termination of the Company.

In addition, the Limited Partners may receive an adjustment in their Capital Account(s) that will either increase or decrease the capital gain to be reported. The Agreement describes the operation of Capital Accounts for the Company and the Limited Partners.

12.7.3 From Sale or Other Disposition of a Limited Partner's Interests

A Limited Partner may be unable to sell their Interests in the Company, as there may be no market. If there is a market, it is possible that the price received will be less than the market value. It is possible that the taxes payable on any sale may exceed the cash received on the sale.

Upon the sale of a Limited Partner's Interest, the Limited Partner will report taxable gain to the extent that the sale price of the Interest exceeds the Limited Partner's adjusted tax basis. A portion of taxable gain may be reported as a recapture of the cost recovery deduction allocated to the Limited Partner and will be taxed at the cost recovery tax rate in effect at that time.

12.7.4 Phantom Income

It may occur that in any year the Limited Partners will receive an allocation of taxable income and not receive any Cash Distributions. This event is called receiving phantom income as the Limited Partner has income to report, but receives no cash. In this event, the Limited Partners may owe tax on the reportable income.

12.7.5 Unrelated Business Income Tax (UBIT)

An Investor who acquires Limited Partner Interests through their Individual Retirement Accounts may be subject to Unrelated Business Income Tax (UBIT). The General Partner recommends that Investors contact their CPA or tax advisor to determine how/whether the application of UBIT may apply to them.

12.8 Audits

12.8.1 Election Out of Bipartisan Budget Act Audit Rules

Effective for partnership returns for tax years beginning on or after January 1, 2018, partnerships will be subject to the audit rules of sections 6221 through 6241 of the Internal Revenue Code, as amended by Bipartisan Budget Act of 2015 (BBA). Under the previous rules, partnership audits (subject to certain exceptions for small partnerships) were conducted at the partnership level, through interaction with a Tax Matters Partner (TMP) authorized to bind all partners (subject to participation in some instances by Notice Partners). Tax adjustments were made at the partnership level, but the adjustments would flow through to the partners who were partners during the year(s) under audit. Collection would then occur at the partner level.

Under the BBA audit rules, the IRS will assess and collect tax deficiencies directly from the partnership at the entity level. Generally, the tax is imposed on and paid by the partnership in the current year, calculated at the highest individual rate. The result is that the underlying tax burden of the underpayment may be shifted from the partners who were partners during the year(s) under audit .

In addition, the positions of TMP and Notice Partners have been eliminated and replaced with a Partnership Representative, which must be designated annually on the partnership's timely filed return. The Partnership Representative has the sole authority to act on behalf of the partnership and the partners in an audit, and those powers cannot be limited.

A partnership may elect out of the BBA audit rules if certain conditions are met. In order to elect out, the partnership must issue 100 or fewer K-1s each year with respect to its partners. Moreover, each partner must be either an individual, a C corporation, a foreign entity that would be treated as a C corporation if it were domestic, an S corporation, or the estate of a deceased partner. Thus, a partnership is ineligible to elect out if any partner is a trust (including a grantor trust), a partnership, or a disregarded entity, such as an LLC where the social security number of the individual member is used for income tax reporting purposes. The election out must be made annually on the partnership's timely filed return and must include a disclosure of the name and taxpayer identification number of each partner. In the case of a partner that is an S corporation, each K-1 issued by the S corporation partner counts toward the limit of 100 K-1s. The partnership must notify each partner of the election out.

It is the intent of the Company to elect out of the BBA audit rules. By electing out of the BBA audit rules, the Company will be subject to audit procedures similar to the TEFRA and pre-TEFRA rules, but the IRS will be required to assess and collect any tax that may result from the adjustments at the individual partner level. However, the opt-out provision may not be available to the Company based on the tax classification of the Partners.

Partners will be required timely to furnish the Company with the information necessary to make the annual election, and the Company will be authorized to provide such information to the IRS. Further, the Company will not permit as Partners any Person whose Partnership would preclude the election out.

12.8.2 Push Out Election (Audit)

The "push out" election of Internal Revenue Code section 6226 provides an alternative to the general rule that the partnership must pay any tax resulting from an adjustment made by the IRS. Under section 6226, a partnership may elect to have its reviewed year partners take into account the adjustments made by the IRS and pay any tax due as a result of those adjustments. The partnership must make the "push out" election no later than 45 days after the date of the notice of final partnership adjustment and must furnish the Secretary and each partner for the reviewed year a statement of the partner's share of the adjustment.

In the event that the Company fails to make a valid election out of the BBA audit rules or is otherwise disqualified from electing out of their application, the Company intends to elect the application of the "push out" procedures. In the event of a push out, or if the "push out" is not effective, a former Partner may owe additional tax if they were a Partner during the reviewed year.

13. Definitions

Defined terms are capitalized herein. The singular form of any term defined below shall include the plural form and the plural form shall include the singular. Whenever they appear capitalized in this Memorandum, the following terms shall have the meanings set forth below unless the context clearly requires a different interpretation:

Act shall mean the Missouri Limited Liability Company Act, as codified in the Missouri Revised Statutes, Title 23, Chapter 347, as may be amended from time to time, unless a superseding Act governing limited liability companies is enacted by the state legislature and given retroactive effect or repeals this Act in such a manner that it can no longer be applied to interpret this Memorandum of the Agreement, in which case Act shall automatically refer to the new Act, where applicable, to the extent such re-interpretation is not contrary to the express provisions of this Memorandum or the Agreement.

Advance, Advances or Limited Partner Loans shall mean any deferred expense reimbursement or Fee earned by the General Partner, as described in Article 3.1 of the Agreement.

Affiliate or Affiliated shall mean any Person controlling or controlled by or under common control with the General Partner or a Limited Partner wherein the General Partner or Limited Partner retains greater than fifty percent (50%) control of the Affiliate if an entity.

Agreement or Limited Partnership Agreement, when capitalized, shall mean the written Limited Partnership Agreement, whose purpose it is to govern the affairs of the Company and the conduct of its business in any manner not inconsistent with law or the Certificate of Formation, including all amendments thereto. No other document or other agreement between the Limited Partners shall be treated as part or superseding the Agreement unless it has been signed by all of the Limited Partners. The Agreement is attached hereto as Exhibit 2.

Article when capitalized and followed by a number refers to sections of the Agreement.

Asset or Company Asset shall mean any real or personal Property owned by the Company.

Break Impounds, Breaking Impounds, or any iteration thereof, shall mean the General Partner's use of Investor's funds, which shall not occur until the Minimum Dollar Amount has been raised.

Capital Account shall mean the amount of the capital interest of a Limited Partner in the Company consisting of that Limited Partner's original Contribution, as (1) increased by any additional Contributions and by that Limited Partner's share of the Company Profits, and (2) decreased by any Distribution to that Limited Partner and by that Limited Partner's share of the Company's Losses.

Capital Contribution or Contribution shall mean any contribution to the Company in cash, property, or services by a Limited Partner whenever made.

Capital Transaction shall mean the sale or disposition of a Company Asset.

Certificate of Formation shall mean the Certificate of Formation filed with the Missouri Secretary of State pursuant to the formation of the Company, and any amendments thereto or restatements thereof.

Class A Limited Partners shall refer to those Persons who have purchased Class A Limited Partner Interests.

Class A Limited Partner Interests shall mean Interests in the Company purchased by the Class A Limited Partners in the form of Class A Limited Partner Interests. The Class A Limited Partner Interests shall comprise seventy (70%) of the total Interests sold.

Class A Limited Partner Percentage Interest shall be determined by calculating the ratio between each Class A Limited Partner's Capital Account in relation to the total capitalization of the Company provided by the Class A Limited Partners.

Class A Limited Partner Interests shall mean the Units offered for sale to Investors via this Memorandum.

Class B Limited Partners shall mean BlueSpruce/Yates Missouri, LLC (or its members or their Affiliates).

Class B Limited Partner Interests shall mean twenty-nine percent (29%) of the total Interests in the Company, which shall be issued to BlueSpruce/Yates Missouri, LLC (or its members or their Affiliates) in exchange for services.

Code shall mean the Internal Revenue Code of 1986, as amended from time to time.

Company shall refer to Holiday Terrace, LP, a Missouri limited partnership.

Distributable Cash means all cash of the Company derived from Company operations or Capital Transactions and miscellaneous sources (whether or not in the ordinary course of business) reduced by: (a) the amount necessary for the payment of all current installments of interest and/or principal due and owing with respect to third-party debts and liabilities of the Company during such period, including but not limited to any real estate commissions, property management fees, marketing fees, utilities, closing costs, holding costs, construction costs, etc., incurred by or on behalf of the Company; (b) the repayment of Advances, plus interest thereon; and (c) such additional reasonable amounts as the General Partner, in the exercise of sound business judgment, determines to be necessary or desirable as a Reserve for the operation of the business and future or contingent liabilities of the Company. Distributable Cash may be generated through either operations or Capital Transactions.

Distribution, Distributions or Cash Distributions shall mean the disbursement of cash or other property to the General Partner or Limited Partners in accordance with the terms of the Agreement.

Economic Interest shall mean a Person's right to share in the income, gains, Losses, deductions, credit, or similar items of, and to receive Distributions from, the Company, but does not include any other rights of a Limited Partner, including, without limitation, the right to vote or to participate in management, except as may be provided in the Act, and any right to information concerning the business and affairs of the Company.

Fee shall mean an amount earned by the General Partner as compensation for various aspects of operation of the Company, if applicable, described in Article 5.2 of the Agreement and Section 5, Table 5.1 hereof.

Fiscal Year shall mean the Company's fiscal year, which shall be the calendar year.

General Partner shall initially refer to Holiday Terrace GP, LLC a Missouri limited partnership and each of its members, managers, partners, officers, shareholders, directors, employees and agents or any other Person or Persons, as well as any of its Affiliates that may become a General Partner pursuant to the Agreement or any other General Partner who shall be qualified and elected pursuant to Article 8 of the Agreement. See also Section 2.2 hereof. Issuance of the General Partner Interests is irrevocable and independent of the General Partner's service to the Company.

General Partner Interests shall mean one percent (1%) of the total Interests in the Company, which shall be issued to Holiday Terrace GP, LLC (or its members or their Affiliates) in exchange for services.

Investor shall mean a Person who is contemplating the purchase of Class A Limited Partner Interests.

Limited Partner means a Person who: (1) has been admitted to the Company as a Limited Partner in accordance with the Certificate of Formation and the Agreement, or an assignee of an Interest in the Company who has become a Limited Partner; (2) has not resigned, withdrawn, or been expelled as a Limited Partner or, if other than an individual, been dissolved. Limited Partner does not include a Person who succeeds to the Economic Interest of a Limited Partner, unless such Person is admitted by the General Partner as a new, substitute, or additional Limited Partner, in accordance with the provisions for such admission as provided in the Agreement.

Limited Partnership Interest shall mean a Limited Partner's rights in the Company, including the Limited Partner's Economic Interest, plus any additional right to vote or participate in management, and any right to information concerning the business and affairs of the Company provided by the Act and/or described in the Agreement.

Losses shall mean, for each Fiscal Year, the losses and deductions of the Company determined in accordance with accounting principles consistently applied from year to year under the cash method of accounting and as reported, separately or in the aggregate as appropriate on the Company's information tax return filed for Federal income tax purposes.

Majority of Interests shall mean Limited Partners whose collective Percentage Interests represent more than fifty percent (50%) of the Interests, whether in the Company or in a particular Class, as specified in specific provisions of the Agreement. Where no class is

specified, a Majority of Interests refers to Limited Partners having a majority of the total interests in the Company, regardless of class.

Maximum Dollar Amount shall mean One Million Three Hundred Thousand Dollars (\$1,300,000), which is the total amount of Capital Contributions that will be accepted from Class A Limited Partners pursuant to this Offering.

Memorandum shall mean this Private Placement Memorandum, its Exhibit(s) and any supplements or addenda.

Minimum Investment Amount shall mean the minimum investment required of a single Class A Limited Partner Investor for admission to the Offering, or Fifty Thousand Dollars (\$50,000), or the purchase of fifty (50) Units at One Thousand Dollars (\$1,000) per Unit. Additional Units can be purchased once an Investor achieves the Minimum Investment Amount.

Minimum Dollar Amount shall mean One Million Dollars (\$1,000,000), which is the minimum amount of Capital Contributions that must be raised from the sale of the Class A Limited Partner Interests before the General Partner may Break Impounds and use Investor funds.

Non-U.S. Person shall mean a Person who is not a U.S. Citizen, not a legal U.S. Resident, or not living in the United States.

Offering, when capitalized, shall mean the offer for sale of Class A Limited Partner Interests in the Company in exchange for a Percentage Interest in the Company, pursuant to this Memorandum and the Agreement.

Offering Period shall mean the amount of time, or any extension or reinstatement thereof, specified by the General Partner during which a Person may invest in Class A Limited Partner Interests in the Company and thereby become a Class A Limited Partner. The General Partner reserves the right to terminate the Offering Period at any time.

Organization Expenses shall mean legal, accounting, and other expenses incurred in connection with the formation of the Company.

Partners mean all partners (limited or general) of the Company.

Partnership Representative shall mean a member of the General Partner, or an otherwise identified individual designated to act on behalf of the Company pursuant to section 6223 of the Internal Revenue Code.

Percentage Interest shall mean the ownership Interest in the Company of a Class A Limited Partner, which shall be calculated by dividing the number of Units purchased by the Class A Limited Partner by the total number of Interests (General or Limited) issued. See Article 2.2 of the Agreement; see also definition of Class A Limited Partner Percentage Interests above and Appendix B, attached to the Agreement.

Person means an individual, a partnership, a domestic or foreign limited partnership, a trust, an estate, an association, a corporation, or any other legal entity.

Profits shall mean, for each Fiscal Year, the income and gains of the Company determined in accordance with accounting principles consistently applied from year to year under the cash method of accounting and as reported, separately or in the aggregate as appropriate, on the Company's information tax return filed for Federal income tax purposes.

Property shall mean a specific 83-unit, multi-family property, located at 360 Schaefer Drive, Branson, MO 65616, currently known as Holiday Terrace Apartments.

Property Manager shall mean a professional real estate brokerage or other appropriately licensed Person hired by the Company to manage rental and maintenance of the Property during their period of ownership by the Company. The Property Manager may be an Affiliate of the General Partner.

Section when capitalized and followed by a number refers to sections of this Private Placement Memorandum.

Suitability Standards shall mean the qualifications established by the General Partner for Investors who wish to invest in this Offering, as described in Section 1 hereof.

Unit shall mean the incremental dollar amount established by the General Partner for sale of the Interests pursuant to this Offering, which Investors may purchase in order to become Class A Limited Partners of the Company. Note: Units issued by the Company are "personal property" and not "real property" Interests, thus, may be ineligible for exchange under Federal tax law or "1031 exchange" rules.

Unreturned Capital Contributions means all Capital Contributions made by a Class A Limited Partner less any returned capital.

Working Capital, Working Capital and Reserves, Reserve or Reserves shall mean, with respect to any fiscal period, funds set aside or amounts allocated during such period to Reserves that shall be maintained in amounts deemed sufficient by the General Partner for working capital and to pay taxes, insurance, debt service, or other costs or expenses incidental to the ownership or operation of the Company's business.

14. Summary of Limited Partnership Agreement

The following is only a summary of the Limited Partnership Agreement (the Agreement). An Investor considering purchasing Units in the Company should read the entire Agreement.

14.1 Purpose (Articles 1.9 and 1.10)

The General Partner has formed a Missouri limited partnership to facilitate the acquisition, operation, and disposition of the Property.

14.2 Capitalization (Article 2)

Class A Limited Partners will contribute capital to the Company through Contributions of cash in exchange for the purchase of Class A Limited Partner Interests issued by the Company. The General Partner will contribute services in exchange for their Interest. If the

General Partner contributes capital, they will be issued Class A Limited Partner Interests. Class A Limited Partner Capital Contributions shall be made in total when becoming a Class A Limited Partner. The General Partner will direct the establishment and maintenance of a Capital Account for each Class A Limited Partner.

14.3 Cash Distributions to Limited Partners (Article 4)

The Limited Partners and the General Partner may receive Cash Distributions as authorized in Article 3 of the Agreement (see also Section 4 hereof).

14.4 General Partner's Compensation (Article 5)

Additionally, the General Partner (or its members or Affiliates) will receive additional compensation in the form of Fees, commissions, reimbursements, interest, or other compensation as further described in Article 4 (see Section 5, Table 5.1 hereof).

14.5 Rights and Duties of General Partner (Article 6)

The General Partner shall manage all business and affairs of the Company. The General Partner shall direct, manage, and control the Company to the best of its ability and shall have full and complete authority, power, and discretion to make any and all decisions and to do any and all things that the General Partner shall deem to be reasonably required to accomplish the business and objectives of the Company.

Holiday Terrace GP, LLC is the General Partner of the Company. The General Partner shall hold office until a successor General Partner shall be elected and qualified. Successor General Partner(s) need not be a resident of the State of Missouri or a Limited Partner of the Company.

14.6 Rights and Obligations of Limited Partners (Article 7)

The Interests being sold have limited voting rights. A summary of the voting rights of Limited Partners is provided in the Agreement, Article 7.4.

14.7 Resignation or Removal of the General Partner (Article 8)

The General Partner may resign on sixty (60) days' notice to the Limited Partners. The General Partner may only be removed for Good Cause as defined in the Agreement, by a vote of seventy five percent (75%) of the Limited Partners other than the General Partner. The removal procedures are specified in Article 7 of the Agreement.

14.8 Meetings of Limited Partners (Article 9)

A meeting of the Limited Partners may be called at any time and for any purpose whatsoever by Limited Partners representing a Majority of Interests. When a Limited Partner wishes to call a Meeting, he or she shall notify the General Partner, who shall promptly give notice of the Meeting to the other Limited Partners. Notice shall be given at least three (3) days and not more than sixty (60) days before the date of the meeting. A vote taken at a meeting with

less than three (3) days' notice will only be valid if all of the Limited Partners provide written consent from 75% of the Percentage Interests.

14.9 Accounting Policies; Limited Partner Access to Books and Records (Article 10)

For accounting and income tax purposes, the Company shall operate on a Fiscal Year, which will be the calendar year, ending December 31, making such income tax elections and using the methods of depreciation determined by the General Partner.

The General Partner shall maintain and preserve all accounts, books, and other relevant Company documents at its principal place of business during the term of the Company and for seven (7) years thereafter. A Limited Partner shall have the right, during ordinary business hours upon reasonable written request (per Article 10.2 of the Agreement), to inspect and copy such Company documents at the Limited Partner's expense. The Company may impose a reasonable charge, limited to the costs of labor and material for copies of such records furnished.

To the extent allowed by law, the General Partner shall honor requests of Limited Partners to keep their contact information confidential.

14.10 Voluntary Transfers (Article 11)

Voluntary transfers, or assignment of a Limited Partner's Units, however, may be allowed if performed in accordance with the procedures specified in the Agreement. Generally, the Agreement states that when a Limited Partner receives an acceptable offer to sell their investment Units to a third-party, the General Partner, followed by other Limited Partners of the Company, will have the first and second rights of refusal to purchase the investment Units at the same price offered by the third-party.

Note, however, that pursuant to Rule 144 under the Securities Act, the Units offered herein may not be resold or transferred in any event for at least one (1) year from the date of initial sale and such transfer may require an attorney's opinion that such resale or transfer will not violate applicable securities laws.

Where an Interest is assigned or bequeathed by a Limited Partner, upon approval of the assignment by the General Partner, the assignee will be entitled to only the Economic Interests of the Limited Partner, and shall not be allowed to exercise any other rights of a Limited Partner (e.g., voting rights) unless all of the Limited Partners unanimously vote to accept such Person as a Substitute Limited Partner (as defined in the Agreement).

14.11 Disassociation of a Limited Partner; Withdrawal Prohibited (Article 12)

Conditions under which a Limited Partner must or may be disassociated from the Company are described in Article 12 of the Agreement. In general, if a Limited Partner engages in willful conduct adverse to the Company; it becomes unlawful for the Limited Partner to continue as a Limited Partner, or otherwise breaches the Agreement; the Limited Partner

may be disassociated by judicial order, or on application of another Limited Partner or the General Partner. A Limited Partner may also be disassociated in the event of other circumstances described in Article 12 of the Agreement.

A Limited Partner may not voluntarily withdraw from the Company except as described in the transfer provisions set forth in Article 11 of the Agreement.

14.12 Internal Dispute Resolution Procedure (Article 13)

Because the fundamental nature of the Company is to provide an opportunity for Limited Partners to receive Cash Distributions from Profits on Company operations, it is imperative that internal disputes arising from or in any way related to this Offering, the Agreement, or the Company, (whether between a Limited Partner and the General Partner, between Limited Partners, or for questions related to judicial dissolution, declaratory relief, or any other matter), are not allowed to extinguish or diminish the Profits available to other Limited Partners. Thus, Article 13 of the Agreement contains a detailed internal Dispute Resolution Procedure (in lieu of litigation) which requires the parties to any dispute to engage in good faith negotiation for no less than sixty (60) days, followed by a minimum of three (3) face-to-face mediations, and as a last resort, binding arbitration, all of which shall be performed in accordance with the rules of the American Arbitration Association and shall take place in Missouri.

In the event of a dispute between a Limited Partner and the General Partner, the Limited Partner is limited to seeking their Unreturned Capital Contributions plus any Distributable Cash to which they are entitled. Each party shall bear their own attorney's fees and costs regardless of the outcome. In the event arbitration is required, "discovery" of information will be limited, and by signing the Agreement, the parties are giving up their rights to a jury trial. The General Partner will be required to maintain the status quo with respect to Operations and Cash Distributions during the pendency of any dispute, except for any Cash Distributions to the complaining Limited Partner, which shall be held in trust pending the outcome of the proceeding. The Limited Partners are encouraged to seek their own legal counsel as to the effect of this provision.

14.13 Dissolution and Termination of Company (Article 14)

The Company shall be dissolved upon an election of a majority of all of the Limited Partners to dissolve the Company or on the sale of the Property by action of the General Partner (see Article 14.1 of the Agreement). The Company will observe the mandatory requirements of the Act on dissolution of the Company. On dissolution, all Assets of the Company, including Distributable Cash, will be distributed as described in Article 4.3 of the Agreement.

14.14 Division of Profits and Losses for Income Tax Purposes (Appendix C)

Profits and Losses of the Company from operations will generally be allocated to match the manner in which the Limited Partners share in Cash Distributions. Profits and Losses from Capital Transactions will be specially allocated to match the manner in which the Limited Partner will share in the Cash Distributions of the proceeds from Capital Transactions.

14.15 Treatment of Distributions of Cash for Tax Purposes (Appendix C)

The Interests sold herein are personal property interests, and for IRS purposes are treated the same as partnership interests. As such, these Interests are not eligible for individual 1031 exchange. However, the Company could vote by a Majority of Interests to exchange a Company Property for another eligible Property under Internal Revenue Code section 1031.

14.16 Other Tax Matters (Appendix C)

Other tax matters, such as foreign person withholding, company tax returns and tax treatment of additional or substitute Limited Partners, are addressed in Appendix C of the Agreement.

14.17 Partnership Representative Limited Partner (Appendix C)

A partner designated by the General Partner shall serve as the “Partnership Representative Limited Partner” for federal income tax purposes. In the event the designated partner is no longer a partner in the Company, the General Partner may appoint another Partnership Representative partner. Additional information regarding the rights and duties of the Partnership Representative partner are addressed in Appendix C of the Agreement.

14.18 Definitions (Appendix D)

The definitions pertaining to the Limited Partnership Agreement are provided in Appendix D of the Agreement.

15. Offering Exempt from Registration

The Units being sold in this Offering are a “security” as defined by Federal securities Laws. This Offering is conducted under Federal Laws providing an exemption from securities registration as a “private placement offering” pursuant to Regulation D, Rule 506, as promulgated by the Federal Securities and Exchange Commission (SEC) and/or other applicable state securities agencies. Other than filing the requisite notices with Federal and state securities agencies on behalf of the Company, the General Partner does not intend to qualify or register this Offering with any governmental securities agency.

This investment is limited to Investors meeting the Suitability Standards provided in Section 1 hereof. A Class A Limited Partner is prohibited from selling their Interests for at least one (1) year and then it must be done in accordance with the transfer provisions provided in the Agreement.

The Interests offered have not been registered with the SEC nor qualified with any State securities agencies. No permits have been obtained from any governmental agency. No reports will be made to any governmental agency under any Federal or State securities laws other than informational reports and notices of the sale of securities as may be required pursuant to the applicable private placement exemption.

16. Integration

This Memorandum is to be distributed only by the General Partner and only to individuals who attest in writing that they meet the Suitability Standards established by the General Partner for Investors in this Offering.

This Memorandum represents the complete package of information and disclosures regarding the Company. Investors should not rely on any verbal information provided from any source that is not set forth in writing within this document, its Exhibits, or any supplemental Exhibits that may be provided by the General Partner.

17. Limited Time Offering

This is a limited time Offering. Subscriptions to purchase Class A Limited Partner Interests in the Company will be accepted on a first-come, first served, basis from Investors who meet the Suitability Standards established by the General Partner. Once the Offering has been closed by the General Partner, no further subscriptions will be accepted, although the General Partner may establish a waiting list in case a committed Class A Limited Partner fails to meet the Suitability Standards established by the General Partner for Limited Partnership in the Company, or fails to timely provide the committed funds.

An Investor who desires to purchase Class A Limited Partner Interests must agree to the Limited Partnership Agreement (Exhibit 2) by signing and completing a Subscription Booklet (Exhibit 3), and return the completed Subscription Booklet to the General Partner. The General Partner will review these documents to verify that all prospective Class A Limited Partners have testified that they meet the Suitability Standards established by the Company, and reserves the right to request additional, substantiating information from an Investor prior to acceptance or denial of admission.

18. Signatures

Dated: March 19, 2018

By: Holiday Terrace, LP,
A Missouri limited partnership

By: Its General Partner, Holiday Terrace GP, LLC,
A Missouri limited liability company

By: Stephen Gillis, Manager
BlueSpruce Holdings, LLC
A Colorado limited liability company

By: Derek Scruggs, Manager
BlueSpruce Holdings, LLC
A Colorado limited liability company

By: J. Roger Yates, Managing Member
Yates Group USA, LLC
A Florida limited liability company