
ANNEX J

RSM FINANCIAL STATEMENTS

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

RealSource Management, LLC

December 31, 2024

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
RealSource Management, LLC

Opinion

We have audited the consolidated financial statements of RealSource Management, LLC (a Utah limited liability company) and subsidiary (the "Company"), which comprise the consolidated balance sheet as of December 31, 2024, and the related consolidated statements of operations, members' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

Basis for opinion

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

Responsibilities of management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

In performing an audit in accordance with US GAAS, we:

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

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



Philadelphia, Pennsylvania
November 11, 2025

RealSource Management, LLC
CONSOLIDATED BALANCE SHEET
December 31, 2024

ASSETS

| | |
|---------------------------------------|----------------------------|
| Cash | \$ 203,399 |
| Accounts receivable - related parties | 2,347,749 |
| Prepaid and other current assets | <u>36,880</u> |
| Total current assets | 2,588,028 |
| Other assets | <u>148,814</u> |
| Total assets | <u><u>\$ 2,736,842</u></u> |

LIABILITIES AND MEMBERS' EQUITY

Liabilities

| | |
|---------------------------------------|---------------|
| Accounts payable and accrued expenses | \$ 154,013 |
| Other liabilities | 175,529 |
| Due to affiliate | <u>29,528</u> |
| Total liabilities | 359,070 |

Members' equity

| | |
|---------------------------------------|----------------------------|
| | <u>2,377,772</u> |
| Total liabilities and members' equity | <u><u>\$ 2,736,842</u></u> |

The accompanying notes are an integral part of this consolidated financial statement.

RealSource Management, LLC

CONSOLIDATED STATEMENT OF OPERATIONS

Year ended December 31, 2024

Revenue - related parties

| | |
|---|----------------|
| Property management fees and other revenues | \$ 4,638,237 |
| Cost reimbursement revenue | 2,062,860 |
| Support and advertising revenue | <u>700,784</u> |

| | |
|---------------------------------|------------------|
| Total revenue - related parties | <u>7,401,881</u> |
|---------------------------------|------------------|

Operating expenses

| | |
|-------------------------------------|------------------|
| Reimbursable expenses | 2,069,316 |
| Support and advertising expenses | 143,495 |
| Payroll expenses | 3,185,002 |
| General and administrative expenses | <u>1,427,469</u> |

| | |
|--------------------------|------------------|
| Total operating expenses | <u>6,825,282</u> |
|--------------------------|------------------|

| | |
|------------------|---------|
| Operating income | 576,599 |
|------------------|---------|

| | |
|-------------------|---------------|
| Other income, net | <u>37,108</u> |
|-------------------|---------------|

| | |
|-------------------|--------------------------|
| NET INCOME | <u><u>\$ 613,707</u></u> |
|-------------------|--------------------------|

The accompanying notes are an integral part of this consolidated financial statement.

RealSource Management, LLC

CONSOLIDATED STATEMENT OF MEMBERS' EQUITY

Year ended December 31, 2024

| | <u>Members' Equity</u> |
|------------------------------------|----------------------------|
| Balance - December 31, 2023 | \$ 1,708,272 |
| Contributions | 502,589 |
| Distributions | (446,796) |
| Net income | <u>613,707</u> |
| Balance - December 31, 2024 | <u><u>\$ 2,377,772</u></u> |

The accompanying notes are an integral part of this consolidated financial statement.

RealSource Management, LLC

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2024

Cash flows from operating activities

| | |
|--|------------|
| Net income | \$ 613,707 |
| Changes in operating assets and liabilities: | |
| Accounts receivable - related parties | 276,830 |
| Prepaid and other current assets | (176,492) |
| Accounts payable and accrued expenses | (384,660) |
| Other assets | (339,425) |
| Other liabilities | (27,117) |
| Due to affiliate | 29,528 |
| | <hr/> |
| Net cash used in operating activities | (7,629) |

Cash flows from financing activities

| | |
|---|-----------|
| Contributions | 502,589 |
| Distributions | (446,796) |
| | <hr/> |
| Net cash provided by financing activities | 55,793 |

| | |
|---------------------------|--------|
| NET CHANGE IN CASH | 48,164 |
|---------------------------|--------|

| | |
|--------------------------------|---------|
| Cash, beginning of year | 155,235 |
|--------------------------------|---------|

| | |
|--------------------------|--------------------------|
| Cash, end of year | <u><u>\$ 203,399</u></u> |
|--------------------------|--------------------------|

The accompanying notes are an integral part of this consolidated financial statement.

RealSource Management, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

NOTE 1 - ORGANIZATION AND BUSINESS

RealSource Management, LLC ("RSM") is a Utah Limited Liability Company formed on January 1, 2006. Unless the context indicates otherwise, the "Partnership," "we," "our" or "us" refers to RSM and its wholly-owned subsidiary RSM Investment Club, LLC ("RSM Investment Club"). RSM was formed to provide property management services for multifamily apartment communities located throughout the United States. RSM Investment Club was formed to assist employees with investing in real estate properties.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance accounting principles generally accepted in the United States of America ("GAAP") and includes the accounts of RSM and RSM Investment Club. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash

We consider all cash on deposit, money market funds and short-term investments with original maturities of three months or less to be cash and cash equivalents. Cash and cash equivalents consist of amounts the Company has on deposit with major commercial financial institutions. There were no cash equivalents during the year ended December 31, 2024.

Accounts Receivable - Related Parties

Accounts receivable consists of amounts due from managed properties for fees and other reimbursable expenses. We present our accounts receivable net of allowances for amounts that may not be collected. We assess all accounts receivable for credit losses and establish an allowance to reflect the net amount expected to be collected. The allowance is determined based on an assessment of historical collection activity, the nature of the receivable, and the current business environment. As of December 31, 2024, there was no allowance for credit losses.

Loans Payable

Loans payable consist of loans provided by employees to invest in certain real estate properties. The loans are payable on demand and do not carry an interest rate. Subsequent to December 31, 2024, RSM repaid the loans to employees in full.

Revenues - Related Parties

Revenue consists of property management fees, construction management fees and other fees charged to properties under management, including allocated shared costs or fees paid by tenants who opt into a waiver program that covers accidental property damage. Performance obligations are defined in each contract and revenue is recognized on a monthly basis over the term of the agreement as services are performed. Fees are variable consideration, as the property management fees are based on a percentage of the total gross rental income, and construction management fees are based on a percentage of the cost of construction expenditures. At the point the revenues are invoiced and recognized, the amount of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

consideration to be received is finalized and the uncertainty has been resolved. In addition, RSM provides shared services such as support and advertising based on fees in accordance with the property operating budgets. The support and advertising fees will be used for advertising, marketing, promotion and sales services on a group basis. Support and advertising fees earned are included in support and advertising revenue in the accompanying statement of operations. Support and advertising fee revenue is recognized on a monthly basis over the term of the agreements as services are performed.

RSM is also reimbursed for expenses paid or incurred on behalf of the properties under management in connection with the services it provides. Revenue for cost reimbursements is recognized on a gross basis as incurred, included in cost reimbursement revenue and reimbursable expenses, respectively, in the accompanying statement of operations.

RSM generally receives payments from properties as it satisfies its performance obligations and records a receivable when it has an unconditional right to receive payment and only the passage of time is required before payment is due. Construction management fees are paid when the related construction is complete.

Concentration of Credit Risks

Financial instruments that potentially subject RSM to concentrations of credit risk consist principally of cash and cash equivalents. At times, balances with any one financial institution may exceed the Federal Deposit Insurance Corporation insurance limits. RSM believes it mitigates this risk by investing its cash with high-credit quality financial institutions.

Advertising Costs

RSM expenses advertising costs as incurred. Advertising costs for the year ended December 31, 2024 totaled \$146,913 and are included in general and administrative expenses and support and advertising expenses in the accompanying statement of operations.

Leases

RSM leases office space from an entity owned by the RSM's CEO under a month-to-month lease arrangement with no expiration date. RSM determines if an arrangement is a lease or contains a lease at the inception of a contract and categorizes leases at inception as either operating or finance leases. As the lease arrangement is month-to-month, we do not recognize a lease right-of-use asset and lease liability related to such payments. Rent expense is recognized as incurred and is included in general and administrative expenses on the accompanying consolidated statement of operations, which totaled \$27,054 for the year ended December 31, 2024.

Income Taxes

Due to RSM being a partnership, it has no tax liability, and all of its income or losses are passed onto the individual members.

NOTE 3 - MEMBERS' EQUITY

Members' equity consists of one class of member units. As of December 31, 2024, total members' equity was \$2,377,772. For the year ended December 31, 2024, we paid distributions of \$446,796.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

NOTE 4 - TRANSACTIONS WITH RELATED PARTIES

RSM's operations are entirely to perform services for real estate properties owned by RealSource Properties OP, LP subsidiaries under property management agreements. RSM's revenues and accounts receivable reflected in the accompanying statement of operations and balance sheet, respectively, are entirely due from related parties. See also Note 2.

The due to affiliates balance of \$29,528 is due to RealSource Properties Advisor, LLC for payroll and benefits expense allocation.

RSM leases office space from an entity owned by RSM's CEO under a month-to-month lease arrangement. Total rent paid during the year ended December 31, 2024 was \$27,054.

NOTE 5 - SUBSEQUENT EVENTS

We have evaluated subsequent events through November 11, 2025, the date the financial statements were available to be issued for recognition or disclosure and have determined there are none to be reported or disclosed in the financial statements other than those mentioned below.

Merger

On June 25, 2025, Cottonwood Communities, Inc. ("CCI"), Cottonwood Residential O.P., LP, a subsidiary and the operating partnership of CCI ("CROP"), Cottonwood Communities GP Subsidiary, LLC, a wholly owned subsidiary of CCI ("Merger Sub" and together with CCI and CROP, the "CCI Parties"), RealSource Properties, Inc. ("RS") and RealSource Properties OP, LP ("RPOP") (together with RS, the "RS Parties"), entered into an Agreement and Plan of Merger (the "Merger Agreement"). Contemporaneously with signing the Merger Agreement, the RS Parties entered into an Internalization Agreement with (i) RealSource Properties Advisor, LLC ("RSPA"), which is the external advisor to the RS Parties, (ii) RS Property Management, LLC ("RSPM"), which provides property management services to properties owned by subsidiaries of RPOP, (iii) RealSource Management, LLC ("RSM"), which provides personnel to RSPA and RSPM and property management services to properties owned by subsidiaries of RSOP as well as seven properties held by third parties (RSPA, RSPM and RSM are referred to collectively as the "Contributed Entities").

Pursuant to the Internalization Agreement, RPOP will acquire all of the equity interest in RSPA, RSPM and RSM (collectively, the "Contributed Equity Interests"). The Internalization Agreement also provides for, among other things:

- The termination of the RSPA's Advisory Agreement with RPOP (the "Advisory Agreement") other than those sections which expressly survive termination of the Advisory Agreement and other matters related to the termination of the Advisory Agreement, including the following:
 - The waiver of the right of RSPA, as holder of a special limited partnership interest in RPOP, to require RPOP to purchase such special limited partnership interest in connection with the termination of the Advisory Agreement; and
 - A waiver of RSPA's right under the Advisory Agreement to receive disposition fees in connection with the Merger.

RealSource Management, LLC

Financial Statements

June 30, 2025 (Unaudited)

RealSource Management, LLC

Financial Statements

June 30, 2025 (Unaudited)

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RealSource Management, LLC

Consolidated Balance Sheets

| | June 30, 2025 | December 31, 2024 |
|--|---------------------|---------------------|
| Assets | (Unaudited) | |
| Cash | \$ 741,982 | \$ 203,399 |
| Accounts receivable - related parties | 1,704,581 | 2,347,749 |
| Prepaid and other current assets | — | 36,880 |
| Total current assets | \$ 2,446,563 | \$ 2,588,028 |
| Other assets | 10,878 | 148,814 |
| Total assets | <u>\$ 2,457,441</u> | <u>\$ 2,736,842</u> |
| Liabilities and members' equity | | |
| Liabilities | | |
| Accounts payable and accrued expenses | \$ 250,114 | \$ 154,013 |
| Other liabilities | 79,394 | 175,529 |
| Due to affiliate | — | 29,528 |
| Total liabilities | 329,508 | 359,070 |
| Members' equity | 2,127,933 | 2,377,772 |
| Total liabilities and members' equity | <u>\$ 2,457,441</u> | <u>\$ 2,736,842</u> |

See accompanying notes.

RealSource Management, LLC

Consolidated Statements of Operations

(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|-------------------|------------------------------|-------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Revenue - related parties | | | | |
| Property management fees and other revenues | \$ 1,168,212 | \$ 1,215,658 | \$ 2,117,683 | 2,218,532 |
| Cost reimbursement revenue | 543,731 | 511,668 | 1,069,524 | 988,728 |
| Support and advertising revenue | 210,009 | 178,436 | 403,686 | 349,856 |
| Total revenue - related parties | <u>1,921,952</u> | <u>1,905,762</u> | <u>3,590,893</u> | <u>3,557,116</u> |
| Operating expenses | | | | |
| Reimbursable expenses | 561,143 | 498,986 | 1,085,321 | 981,914 |
| Support and advertising expenses | 19,313 | 2,721 | 59,014 | 83,385 |
| Payroll expenses | 666,512 | 794,334 | 1,593,123 | 1,536,643 |
| General and administrative expenses | <u>315,415</u> | <u>329,042</u> | <u>434,093</u> | <u>677,493</u> |
| Total operating expenses | <u>1,562,383</u> | <u>1,625,083</u> | <u>3,171,551</u> | <u>3,279,435</u> |
| Operating income | 359,569 | 280,679 | 419,342 | 277,681 |
| Other income, net | 15,882 | 6,327 | 27,792 | 9,335 |
| Net income | <u>\$ 375,451</u> | <u>\$ 287,006</u> | <u>\$ 447,134</u> | <u>\$ 287,016</u> |

See accompanying notes.

RealSource Management, LLC

Statements of Members' Equity

(Unaudited)

| | Total Members' Equity |
|----------------------------|----------------------------------|
| Balance at January 1, 2024 | <u>\$ 1,708,272</u> |
| Contributions | 492,227 |
| Distributions | 316,486 |
| Net income | 103,529 |
| Balance at March 31, 2024 | <u>\$ 2,620,514</u> |
| Contributions | 3,600 |
| Distributions | (108,399) |
| Net income | 183,487 |
| Balance at June 30, 2024 | <u><u>\$ 2,699,202</u></u> |

| | Total Members' Equity |
|----------------------------|----------------------------------|
| Balance at January 1, 2025 | <u>\$ 2,377,772</u> |
| Contributions | (24,744) |
| Distributions | (77,207) |
| Net income | 220,796 |
| Balance at March 31, 2025 | <u>\$ 2,496,617</u> |
| Contributions | 4,975 |
| Distributions | (599,997) |
| Net income | 226,338 |
| Balance at June 30, 2025 | <u><u>\$ 2,127,933</u></u> |

See accompanying notes.

RealSource Management, LLC

Statements of Cash Flows

(Unaudited)

| | Six Months Ended June 30, | |
|---|----------------------------------|-------------------|
| | 2025 | 2024 |
| Cash flows from operating activities | | |
| Net income | \$ 447,134 | \$ 287,016 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable - related parties | 643,168 | 336,081 |
| Prepaid and other current assets | 36,880 | (201,373) |
| Accounts payable and accrued expenses | (29,561) | (198,608) |
| Other assets | 137,935 | — |
| Net cash provided by operating activities | 1,235,556 | 223,116 |
| Cash flows from investing activities | | |
| Investments | — | (370,710) |
| Net cash used in investing activities | — | (370,710) |
| Cash flows from financing activities | | |
| Contributions | (19,770) | 79,340 |
| Distributions | (677,204) | 208,087 |
| Net cash (used in) provided by financing activities | (696,974) | 287,427 |
| Net change in cash | 538,582 | 139,833 |
| Cash, beginning of year | 203,399 | 155,235 |
| Cash, end of year | <u>\$ 741,981</u> | <u>\$ 295,068</u> |

See accompanying notes.

RealSource Management, LLC

Notes to the Financial Statements

(Unaudited)

NOTE 1 - ORGANIZATION AND BUSINESS

RealSource Management, LLC (“RSM”) is a Utah Limited Liability Company formed on January 1, 2006. Unless the context indicates otherwise, the “Partnership,” “we,” “our” or “us” refers to RSM and its wholly-owned subsidiary RSM Investment Club, LLC (“RSM Investment Club”). RSM was formed to provide property management services for multifamily apartment communities located throughout the United States. RSM Investment Club was formed to assist employees with investing in real estate properties.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance accounting principles generally accepted in the United States of America (“GAAP”) and includes the accounts of RSM and RSM Investment Club. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash

We consider all cash on deposit, money market funds and short-term investments with original maturities of three months or less to be cash and cash equivalents. Cash and cash equivalents consist of amounts the Company has on deposit with major commercial financial institutions. There were no cash equivalents at June 30, 2025 or December 31, 2024.

Accounts Receivable – Related Parties

Accounts receivable consists of amounts due from managed properties for fees and other reimbursable expenses. We present our accounts receivable net of allowances for amounts that may not be collected. We assess all accounts receivable for credit losses and establish an allowance to reflect the net amount expected to be collected. The allowance is determined based on an assessment of historical collection activity, the nature of the receivable, and the current business environment. As of June 30, 2025 and December 31, 2024, there was no allowance for credit losses.

Revenues – Related Parties

Revenue consists of property management fees, construction management fees and other fees charged to properties under management, including allocated shared costs or fees paid by tenants who opt into a waiver program that covers accidental property damage. Performance obligations are defined in each contract and revenue is recognized on a monthly basis over the term of the agreement as services are performed. Fees are variable consideration, as the property management fees are based on a percentage of the total gross rental income, and construction management fees are based on a percentage of the cost of construction expenditures. At the point the revenues are invoiced and recognized, the amount of

RealSource Management, LLC

Notes to the Financial Statements- Continued

(Unaudited)

consideration to be received is finalized and the uncertainty has been resolved. In addition, RSM provides shared services such as support and advertising based on fees in accordance with the property operating budgets. The support and advertising fees will be used for advertising, marketing, promotion and sales services on a group basis. Support and advertising fees earned are included in support and advertising revenue in the accompanying statement of operations. Support and advertising fee revenue is recognized on a monthly basis over the term of the agreements as services are performed.

RSM is also reimbursed for expenses paid or incurred on behalf of the properties under management in connection with the services it provides. Revenue for cost reimbursements is recognized on a gross basis as incurred, included in cost reimbursement revenue and reimbursable expenses, respectively, in the accompanying statement of operations.

RSM generally receives payments from properties as it satisfies its performance obligations and records a receivable when it has an unconditional right to receive payment and only the passage of time is required before payment is due. Construction management fees are paid when the related construction is complete.

Concentration of Credit Risks

Financial instruments that potentially subject RSM to concentrations of credit risk consist principally of cash and cash equivalents. At times, balances with any one financial institution may exceed the Federal Deposit Insurance Corporation insurance limits. RSM believes it mitigates this risk by investing its cash with high-credit quality financial institutions.

Advertising Costs

RSM expenses advertising costs as incurred. Advertising costs are included in general and administrative expenses and support and advertising expenses in the accompanying statement of operations.

Leases

RSM leases office space from an entity owned by the RSM's CEO under a month-to-month lease arrangement with no expiration date. RSM determines if an arrangement is a lease or contains a lease at the inception of a contract and categorizes leases at inception as either operating or finance leases. As the lease arrangement is month-to-month, we do not recognize a lease right-of-use asset and lease liability related to such payments. Rent expense is recognized as incurred and is included in general and administrative expenses on the accompanying consolidated statement of operations.

Income Taxes

Due to RSM being a partnership, it has no tax liability, and all of its income or losses are passed onto the individual members.

NOTE 3 - MEMBER'S EQUITY

Members' equity consists of one class of member units. As of June 30, 2025 and December 31, 2024, total owner equity was \$2.1 million and \$2.4 million, respectively.

RealSource Management, LLC

Notes to the Financial Statements- Continued

(Unaudited)

NOTE 4 - TRANSACTIONS WITH RELATED PARTIES

RSM's operations are entirely to perform services for real estate properties owned by RealSource Properties OP, LP subsidiaries under property management agreements. RSM's revenues and accounts receivable reflected in the accompanying statement of operations and balance sheet, respectively, are entirely due from related parties. See also Note 2.

The due to affiliates balance of \$29,528 at December 31, 2024 was due to RealSource Properties Advisor, LLC for payroll and benefits expense allocation. There was no due to affiliates balance at June 30, 2025.

RSM leases office space from an entity owned by RSM's CEO under a month-to-month lease arrangement. Total rent paid during the six months ended June 30, 2025 and 2024 was not significant.

NOTE 5 - SUBSEQUENT EVENTS

We have evaluated subsequent events through November 11, 2025, the date the financial statements were available to be issued for recognition or disclosure and have determined there are none to be reported or disclosed in the financial statements other than those mentioned below.

Merger

On June 25, 2025, Cottonwood Communities, Inc. ("CCI"), Cottonwood Residential O.P., LP, a subsidiary and the operating partnership of CCI ("CROP"), Cottonwood Communities GP Subsidiary, LLC, a wholly owned subsidiary of CCI ("Merger Sub" and together with CCI and CROP, the "CCI Parties"), RealSource Properties, Inc. ("RS") and RealSource Properties OP, LP ("RPOP") (together with RS, the "RS Parties"), entered into an Agreement and Plan of Merger (the "Merger Agreement"). Contemporaneously with signing the Merger Agreement, the RS Parties entered into an Internalization Agreement with (i) RealSource Properties Advisor, LLC ("RSPA"), which is the external advisor to the RS Parties, (ii) RS Property Management, LLC ("RSPM"), which provides property management services to properties owned by subsidiaries of RPOP, (iii) RealSource Management, LLC ("RSM"), which provides personnel to RSPA and RSPM and property management services to properties owned by subsidiaries of RSOP as well as seven properties held by third parties (RSPA, RSPM and RSM are referred to collectively as the "Contributed Entities").

Pursuant to the Internalization Agreement, RPOP will acquire all of the equity interest in RSPA, RSPM and RSM (collectively, the "Contributed Equity Interests"). The Internalization Agreement also provides for, among other things:

- The termination of the RSPA's Advisory Agreement with RPOP (the "Advisory Agreement") other than those sections which expressly survive termination of the Advisory Agreement and other matters related to the termination of the Advisory Agreement, including the following:
 - The waiver of the right of RSPA, as holder of a special limited partnership interest in RPOP, to require RPOP to purchase such special limited partnership interest in connection with the termination of the Advisory Agreement; and
 - A waiver of RSPA's right under the Advisory Agreement to receive disposition fees in connection with the Merger.