

RISKS

Any real estate investment is subject to certain risks, including those associated with the direct or indirect ownership of real estate and those associated with the real estate industry in general.

These risks include, among other things: (i) adverse changes in local, national or international economic or other conditions, including those relating to potential terrorist activities and U.S. involvement in armed conflicts, (ii) the financial condition of tenants, buyers and sellers of properties, (iii) environmental laws and regulations, (iv) zoning and land use laws and other governmental rules, (v) environmental claims arising with respect to real estate acquired with undisclosed or unknown environmental problems or where inadequate reserves have been established with respect to such claims, (vi) costs resulting from the mitigation of environmental issues, and liability to third parties for damages resulting from known or unknown, environmental problems, casualty or condemnation losses, and/or uninsured damages from, whether as a result of acts of God or man, floods, hurricanes, fire, natural disasters, or other uninsurable losses, (vii) possible declines in the value of real estate, (viii) delays in the acquisition of properties and costs associated with failed acquisition transactions of properties, including, but not limited to, those that do not have satisfactory due diligence reviews, (ix) possible lack of availability of mortgage financing funds, (x) overbuilding, (xi) increases in competition, (xii) increases in property taxes and operating expenses, (xiii) changes in interest rates, and (ix) other factors beyond the control of THA. Climate changes in certain states may also present increased risks of natural disasters.

Any investor should consider these risks carefully before investing in any THA product.