

Completion of Sale of the Dunes at Falcon Valley Apartments (208 units)

On October 31, 2022, Tower Properties Company (“Company”) completed the sale of the Dunes at Falcon Valley Apartments (208 units) at 19501 W. 102nd Street in Lenexa, Kansas, pursuant to the Real Estate Contract entered into on October 11, 2022 as reported on a news release to OTC Markets on October 12, 2022. The sales price was \$41,200,000 which resulted in a net gain on sale of approximately \$26,800,000, and after the Company paid off the associated loan, interest expense, a prepayment penalty on the loan, broker commission, other reconciliations and other costs at closing, \$25,161,567 was deposited into the Company’s cash account.

A loan that was assumed on May 13, 2014, at the time Tower Properties Company purchased 100% of the membership interests of a Limited Liability Company, had a balance of \$17,680,000 at the purchase date and was a fully amortizing 35 year loan with an interest rate of 3.31% and was scheduled to mature on July 1, 2048. The outstanding balance of this loan on October 31, 2022, which was paid in full, was \$14,971,396. Associated with the October 31, 2022 loan payoff, the Company paid a prepayment penalty of \$149,714.