

NEWSTAR

EXCHANGE

SWEETWATER SPRINGS

MULTIFAMILY TOWNHOME
1031 DST OFFERING

For Accredited Investors Only

About NewStar Exchange

Newstar Exchange is a subsidiary of Newstar Asset Management (“Newstar”), a real estate development and investment management company headquartered in Atlanta, Georgia. Newstar’s business lines focus on providing housing in major markets of the Southeastern United States. Sweetwater Springs is the 5th Delaware Statutory Trust offering sponsored by Newstar Exchange, having raised and invested approximately \$60 million of investor equity since 2022.

Newstar Exchange offerings are distributed by Preferred Capital Securities, an established broker-dealer that has raised more than \$5 billion for 16 investment programs to-date.



TARGETED SUBURBAN LOCATIONS

- Texas
- Tennessee
- North Carolina
- Georgia
- Florida

About NEWSTAR

NEWSTAR acquires, develops, owns, and operates residential communities across the Southeastern United States. NEWSTAR’s businesses span land acquisition and development, construction of new rental communities, and asset management of stabilized communities with a long-term investment horizon. From sourcing land to building and leasing homes for families in new rental communities with Class A finishes and amenities, NEWSTAR invests day in and day out to provide better housing for our communities.

BOONE DUPREE is Chief Executive Officer of NEWSTAR, which he founded in 2021. Prior to forming NEWSTAR, Mr. DuPree most recently served as an executive for Preferred Apartment Communities, Inc. (“PAC”), a publicly traded real estate investment trust that was acquired by Blackstone in 2022. From its initial public offering through the company’s sale to Blackstone, PAC issued more than \$2.6 billion of non-listed preferred stock and paid more than \$675 million in preferred dividends.

At the time of its sale to Blackstone, PAC owned 44 high-quality multifamily communities totaling approximately 12,000 units concentrated in Atlanta, Orlando, Tampa, Jacksonville, Charlotte, and Nashville, in addition to 54 grocery-anchored shopping centers and approximately 1 million square feet of Class A office property. Mr. DuPree served as a named executive officer for PAC and oversaw an operating portfolio worth more than \$1 billion, and a development portfolio worth \$1 billion comprising mixed-use projects across the Southeast and Texas. Before PAC, Mr. DuPree served on the investments team for Cousins (NYSE: CUZ), a publicly traded real estate investment trust based in Atlanta, Georgia, and for Boston-based real estate investment fund Roseview Partners.

Mr. DuPree is a graduate and member of the Urban Land Institute’s Center for Leadership and a member of the Young Presidents Organization (YPO). He holds a B.S. in Finance from Wake Forest University in Winston-Salem, North Carolina.

The Investment Opportunity

95 newly constructed two, three, and four bedroom townhome rentals in Gwinnett County, GA.



Built in
2021/2025



2, 3 and 4
bedroom
townhomes



1-car
garages



Average unit size of
1,803 square feet



\$2,401 / \$1.33 psf
in-place rents



94% leased

INVESTMENT RATIONALE

Acquisition Near Replacement Cost: The \$193 per square foot NEWSTAR purchase price is in-line with cost to build.

Underwritten Rents Offer Discount to Homeownership: Comparable new construction townhomes for sale are asking \$360,000-\$450,000, resulting in a median monthly cost to own of \$2,880, +21% higher than underwritten rents at Sweetwater Springs.¹

Significant Discount to 2022 Pricing: Previously marketed for sale in 2022, seeking \$465,000 per home compared to \$348,053 per home NEWSTAR purchase price (+34%).

Conservative Underwriting Creates Upside: 1. Underwritten market rents are at a discount to current average in-place rents. 2. 92.8% average underwritten economic occupancy is below current occupancy. 3. Projected 2.2% average annual NOI growth trails the 10 and 15 year average rent growth for the submarket (3.9% annually).²

Market Overview

Gwinnett County, GA

\$90,489

Avg. HH Income¹

1.0M

Population

27.5%

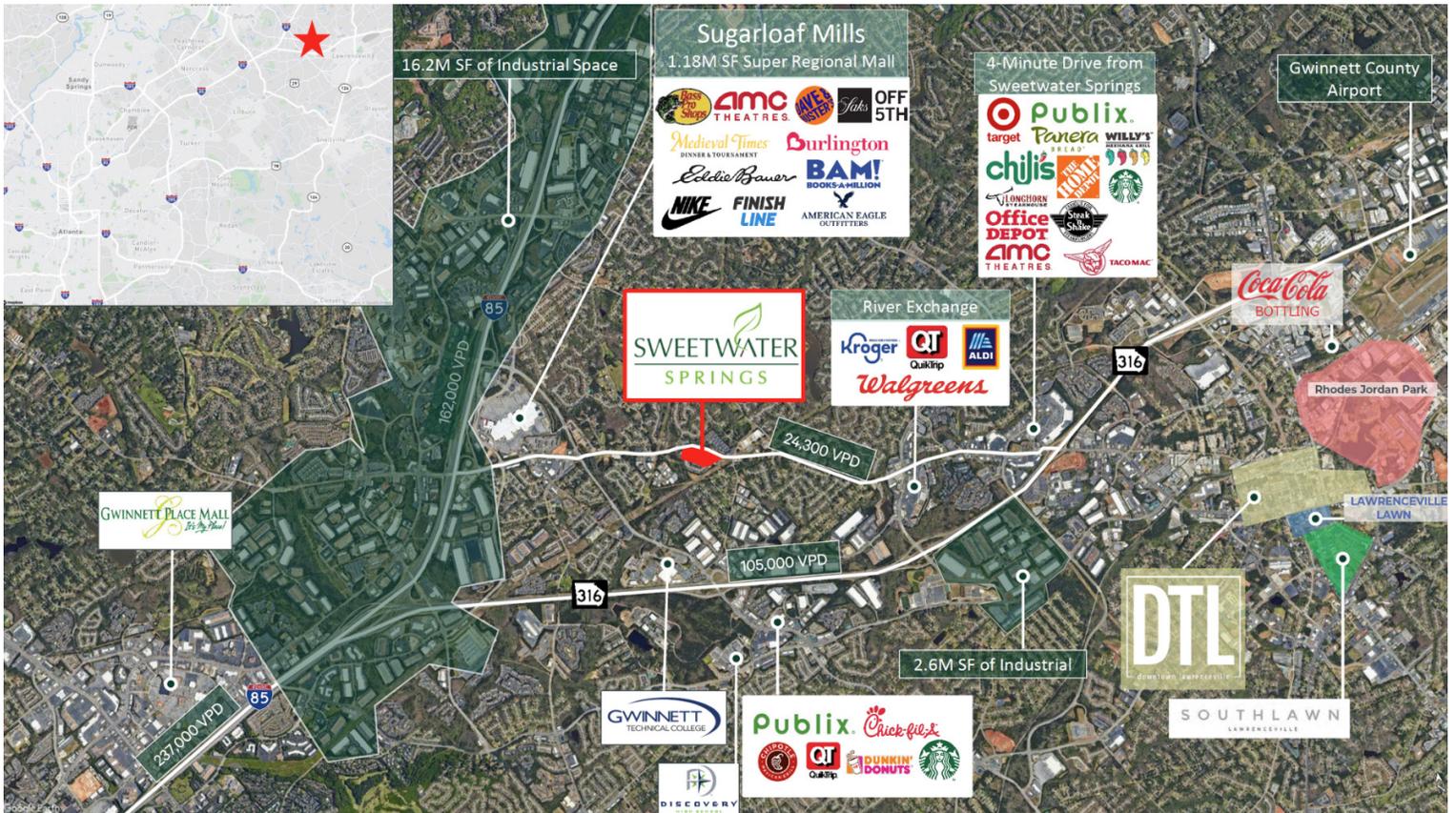
Population Growth Between
2010 and 2025²

36

Median Age

- **Robust Demographic Base:** 224,721 people within 5 miles of the Property earning \$90,489 average annual household income, supporting \$2,500 - \$3,000+ month rents at a 2.5x - 3.0x income-to-rent ratio.³
- **Top-Rated Schools:** Zoned for top rated public schools including Jackson Elementary School (7/10 on Great Schools) and Peachtree Ridge High School (8/10 on Great Schools). The renowned Gwinnett School of Mathematics, Science and Technology is approximately 2 miles away and ranked the #1 high school in Georgia and #13 in the United States.⁴
- **Convenient Access to Employment Centers and Amenities:** Sweetwater Springs is located in Lawrenceville, a suburb 27 miles northeast of downtown Atlanta. It is within a 4-minute drive to Sugarloaf Mills regional mall and an 8-minute drive to Gas South Arena, which hosts over 1.5 million guests annually.⁵
- **Proximity to Northside Hospital Gwinnett:** Northside Hospital Gwinnett is located 10 minutes away and opened a new, \$400 million 11-story tower adding 200 inpatient beds in December 2025.⁶
- **Strong and Consistent Capital Markets Demand:** More than 35,000 multifamily units in the Outer Gwinnett County submarket with approximately 15,000 units bought and sold in transactions totaling approximately \$3.5 billion over the last 5 years. Consistent investor demand supports optionality for eventual investment monetization.³

1) Costar; 5-mile radius 2) Atlanta Regional Commission; 3) Costar -Outer Gwinnett County - December 2025 4) US News and World Report - 2025-2026 Best High School Rankings 5) www.SugarloafCID.org 6) Atlanta Business Chronicle - "Northside Hospital Gwinnet Tower Opening"- November 24, 2025





Offering Details

OFFERING SIZE	\$21,808,522
OFFERING COMMENCEMENT DATE	February 2026
OFFERING TERMINATION DATE	February 2027
ESCROW BREAK	None
ESTIMATED HOLD PERIOD	5-10 years
EXIT STRATEGY	Primary: sell on the open market to third-party investor. Secondary: optional 721 Exchange
STRUCTURE	Delaware Statutory Trust (DST)
OFFERING TYPE	1031
INVESTOR TYPE	Accredited (no exceptions)
TAX REPORTING	1099
MINIMUM INVESTMENT	\$100,000; \$25,000 for cash investors
SECURITY	Interests in the DST
INVESTMENT OBJECTIVE	Current income & tax deferral with the potential for capital appreciation
MASTER LEASE	Yes
SPRING LLC FEATURE	Yes
ALLOW CASH INVESTMENTS	Yes
DISTRIBUTIONS*	Monthly
INVESTOR STATEMENTS	Quarterly
OFFERING LEVERAGE	45%

For more information, please contact the sales desk at 855.330.6594 or salesdesk@pcsalts.com

*Distributions are not guaranteed and there is no assurance that dividends will be made or that any particular rate of distribution will be maintained.

Important Risk Factors to Consider

The Interests are speculative and involve a high degree of risk. A prospective Investor should be able to bear a complete loss of his, her or its investment. The risks include:

- An Investor may not realize a return on the Investor's investment and could lose the entire investment. For this reason, a prospective Investor should carefully read this Private Placement Memorandum and should consult with his, her or its attorney, tax advisor, and business advisor prior to making the investment.
- There is no public market for the Interests and the Interests are being offered and sold pursuant to exemptions from the registration provisions of federal and state law.
- The Interests are subject to restrictions on transfer. Even if these transfer restrictions expire or are not applicable to a particular Investor, there is no public market for the Interests, and neither NewStar Exchange nor the Trust will take any steps to develop a market. Investors should expect to hold their Interests for a significant period of time.
- Distributions are not guaranteed and there is no assurance that dividends will be made or that any particular rate of distribution will be maintained.
- The Interests have not been, and will not be, registered with the SEC or any state securities commission. Since this is a nonpublic offering and, as such, is not registered under federal or state securities laws, a prospective Investor will not have the benefit of review or comment by the SEC or any state securities commission.
- An Investor will acquire the Interests in the Trust, the assets of which will consist solely of the Property and the Master Lease. Thus, an investment in the Interests will not be diversified as to the type of asset, tenant mix or geographic location.
- NewStar Exchange, the Administrative Trustee, the Master Tenant, and their respective affiliates are subject to conflicts of interest between their activities, roles and duties for other entities and the activities, roles and duties they have assumed on behalf of the Trust (or the Master Tenant). Conflicts exist in allocating management time, services and functions between their current and future activities and the Trust
- A delayed closing on the acquisition of an Interest could adversely affect the qualification of an exchange under Section 1031.
- Future legislative or regulatory action could significantly change the tax aspects of an investment in an Interest.
- Investors will not receive audited financial statements for the Property.
- The Trustees have limited duties to Investors, and may take actions that are not in the best interests of the Investors.
- The Trustees will receive compensation, regardless of whether Investors have received distributions.
- Economic, market, and regulatory changes that impact the real estate market generally may decrease the value of the Property and the Master Tenant's operating results.
- Changes in global economic and capital market conditions, including periods of generally deteriorating real estate industry fundamentals, may significantly affect the value of the Trust's investment and the Master Tenant's operating results.
- Volatile economic conditions may adversely affect the Trust's income and exit strategies. Further, the fluctuation in market conditions makes judging future performance of real estate assets difficult.
- The financial performance of the Property depends upon the Residents and their payment of rent under their respective Leases. If a large number of Residents become unable to make rental payments when due, do not renew their Leases, or decide to terminate their Leases, this could result in a significant reduction in rental revenues and, in turn, distributions to Investors.
- Unanticipated capital expenditures, maintenance costs and Uncontrollable Expenses related to the Property could affect Investors' returns.
- An increase in real estate taxes may affect the operating results of the Property and the Trust.
- There can be no assurance that the insurance maintained by the Master Tenant will be sufficient to cover any particular liability or unanticipated loss.
- A cybersecurity incident and other technology disruptions could negatively impact the Trust's business and the Master Tenant's relationships with the Residents.
- Compliance with various laws could affect the operation of the Property. If the Property does not comply with these requirements, the Trust may incur governmental fines or private damage awards.

These and other risks may impact NewStar Exchange's financial condition, operating results, returns to its investors, and ability to make distributions as stated in the Private Placement Memorandum.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved any offering of the Trust. Any representation to the contrary is a criminal offense.

THIS IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED HEREIN. AN OFFERING IS MADE ONLY BY THE PRIVATE PLACEMENT MEMORANDUM (PPM). THIS MATERIAL MUST BE PRECEDED OR ACCOMPANIED BY A PPM. YOU SHOULD READ THE PPM IN ORDER TO UNDERSTAND FULLY ALL OF THE IMPLICATIONS AND RISKS OF THE OFFERING OF SECURITIES TO WHICH IT RELATES. AN INVESTMENT IN THE TRUST SHOULD BE MADE ONLY AFTER CAREFUL REVIEW OF THE PPM. ALL INFORMATION CONTAINED IN THIS MATERIAL IS QUALIFIED IN ITS ENTIRETY BY THE TERMS OF THE PPM. THE ACHIEVEMENT OF ANY GOALS IS NOT GUARANTEED.

This material contains forward-looking statements relating to the business and financial outlook of the Trust, that are based on the company's current expectations, estimates, forecasts, and projections, and are not guarantees of future performance. Actual results may differ materially from those expressed in these forward-looking statements, and you should not place undue reliance on any such statements. A number of important factors could cause actual results to differ materially from the forward-looking statements contained in this material. Such factors include those listed above, and those described in the "Risk Factors" section of the PPM. Forward-looking statements in this material speak only as of the date on which such statements were made, and the company undertakes no obligation to update or revise any such statements whether as a result of new information, future events or otherwise.

NewStar Exchange is offering the Shares solely to qualified investors who are "accredited investors" as defined under Rule 501 of Regulation D of the Securities Act of 1933 (the "Securities Act", pursuant to the Confidential Private Placement Memorandum). It is intended that the offering qualify as a private placement offering exempt from registration under the Securities Act pursuant to Rule 506 of Regulation D issued thereunder.

www.newstar-am.com



Preferred Capital Securities, LLC (Member FINRA/SIPC) is the Dealer Manager for NE Sweetwater Springs, DST
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2/19/26 NEWSTAR-BRO-SWEETWATER