



February 14, 2014

Re: Thompson National Properties, LLC ("TNP" or the "Company") Restructuring Announcement

Dear Noteholder:

We are writing you to discuss TNP's financial condition and steps the Company is taking to restructure and improve its profitability and stability.

TNP has taken several steps to improve its business. First, the Company has eliminated approximately \$14 million of operating costs by reducing staff, office space and corporate overhead over the past 12 months (see **Table 1**). Second, the Company has avoided a threatened liquidation of TNP from its bank (KeyBank) by buying out the lender's secured loan with internally sourced funds and reduced debt by \$10 million. Now the Company is addressing the final step in its restructuring process by tackling the debt load owed to Noteholder investors.

TNP cannot support its current debt load. The Company's current cash flows cannot service the debt and the Company is proposing a plan to convert debt into new preferred equity. TNP will be deferring Note Program payments until this process is completed by June 1st (estimated). Once completed, there will be a special cash payment to all those who convert.

TNP's primary objective is to repay all of the Note Programs. However, the Company needs your support and cooperation in order to accomplish this orderly, out-of-court process that will limit attorney's fees and administrative expenses and avoids harm to TNP or worse. The Company proposes to exchange and convert all of the Note Programs into new preferred stock securities that will generate quarterly payments from a mandatory sweep of all future cash flows as follows:

- Exchange all 2008 Participating Notes ("P Notes) into new secured Preferred Stock Class A which will receive a proportionally greater sweep of all future cash flows than the Preferred B shares;
- Exchange all 12% Notes, PPP Notes and Convertible Preferred Stock into a Preferred Stock Class B which will receive a proportionally lesser sweep of future cash flows than Preferred A shares (until Class A is fully repaid);
- Convert all outstanding loans made by Tony Thompson to TNP (\$10,755,220) into common equity of the Company which is subordinated to all proposed distributions discussed above.

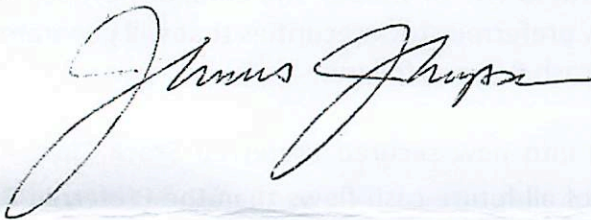
The Company believes this structure provides the best alternative to you and the Company because it allows the Company time to pay you principal and interest at realistic interest rates from mandatory cash sweeps as the Company resumes profitability and stabilizes. In addition, the Company will

institute corporate governance rights to its new preferred shareholders. The new preferred shareholders will have control of the board of directors of the Company. The Company believes this provision will consolidate the Company's leadership and aligns all interests. Finally, Tony Thompson will be subordinating all his investments and claims on the business until all Note Program investors are repaid.

The Company believes the proposed restructuring terms and corporate governance rights align the *interests of all its investors* and set the Company up for success going forward. TNP has the skills, experience, team and motivation to grow TNP again and regain its reputation as one of the leading real estate investors and service providers in the U.S. In fact, the Company is in the midst of a turn around. The Company is seeing improvements in the bottom line as real estate markets rebound and financing terms increasingly become more accommodating (see **Table 3** below). TNP's senior management team has survived and thrived through several real estate cycles over the past 40 years and their decades-long investment track record of providing investor satisfaction is one of the reasons for your investment originally. The Company's five year plan will grow the business more profitably and the Company expects to repay all Note Program principal along with a fair return to investors over this time.

We understand that this process can be unsettling and difficult, however, the Company firmly believes that this structure and process is truly in the best interest of you, the Company, the employees and other clients. We expect to finalize the terms over the next few weeks based on substantial discussions with many Noteholders and their respective advisors that will be forwarded to you for review and discussion. Please look for notices of a series of conference calls to discuss the plan. These calls are intended to provide a platform for you and your advisors to make suggestions and have your questions answered.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Tom Thompson", written in a cursive style.

Tom Thompson
Managing Director
Global Hunter Securities, LLC
Restructuring Consultant to TNP

cc:
Tony Thompson
B/D Advisors

ATTACHMENTS:**TABLE 1:**

Corporate Overhead	Fiscal Year	
	2010	\$34,586,000
	2011	\$33,444,000
	2012	\$32,107,000
	2013E	\$18,632,000

TABLE 2:

TNP debt schedule:

Note Program	Principal Outstanding	Distributions Paid	Collateral
2008 Participating Notes ("P Notes")	\$25,999,403	\$7,571,723	Secured
12% Notes	\$21,599,537	\$8,296,650	Unsecured
PPP Notes	\$3,389,983	\$713,502	Unsecured
Other Notes	\$13,469,441	\$977,579	Unsecured
Convertible preferred stock	\$2,650,000	\$579,339	Unsecured
Total unsecured	\$41,108,961		
Total	\$67,108,364	\$18,138,793	

TABLE 3:

Taxable Net (Loss)/ Income	Fiscal Year	
	2010	(\$14,505,000)
	2011	(\$8,083,000)
	2012	\$1,993,000
	2013E	\$1,500,000