



Net-Leased All-Cash 18 DST

PRIVATE PLACEMENT MEMORANDUM

100 CLASS 1 BENEFICIAL OWNERSHIP INTERESTS \$527,850 PER INTEREST
 MINIMUM PURCHASE: 0.18945% INTEREST (\$100,000 OF EQUITY)
 MAXIMUM OFFERING AMOUNT: \$52,785,000



This Private Placement Memorandum ("PPM") is the controlling document for this offering. All potential investors in this offering must read this PPM, and no person may invest without first acknowledging receipt and review of this PPM in its entirety. ExchangeRight Net-Leased All-Cash 18 DST, is a new Delaware Statutory Trust (the "Trust") formed August 27, 2025 pursuant to a Trust Agreement (the "Trust Agreement"). ExchangeRight Real Estate, LLC, a California limited liability company (the "Sponsor" or "ExchangeRight"), is the present owner of the Trust. The Trust is hereby offering (this "Offering") to prospective Accredited Investors (as hereinafter defined) ("Investors") 100 newly issued Class 1 beneficial ownership interests (the "Interests") in the Trust at \$527,850 per Interest, pursuant to the terms of this confidential private placement memorandum, including all exhibits attached hereto and any supplements (this "Memorandum"). Pictures are representative of similar corporate-backed stores in the ExchangeRight portfolio and are not actual properties included in the portfolio.

ExchangeRight Net-Leased All-Cash 18 DST is a debt-free offering of net-leased real estate backed by historically recession-resilient tenants, with a 5.15% current cash flow from in-place lease revenue. The portfolio is focused on properties that are leased to national tenants successfully operating in necessity-based industries.

Summary of Net-Leased All-Cash 18 DST

\$52,785,000

Equity Offering Amount

100%

Equity Offering

\$100,000

Minimum Purchase

5.15%

Current Cash Flow

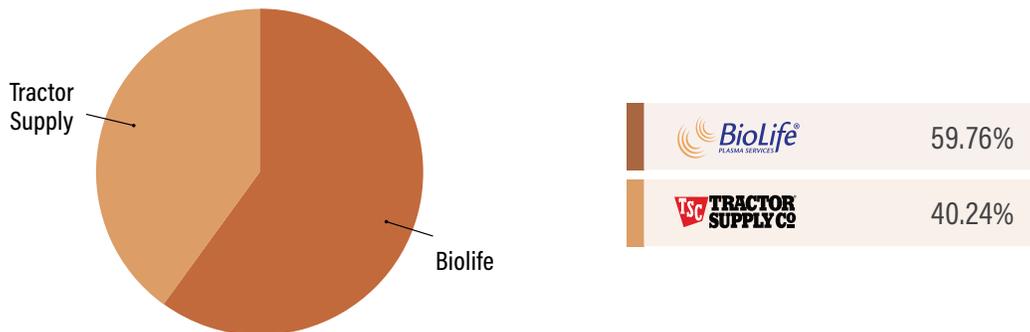
6

Properties

12.0 Years

Weighted-Average Lease Term

Tenants % of Net Operating Income



ExchangeRight is offering up to 100% of the beneficial interests in the DST to accredited investors. The Offering is designed for investors seeking to participate in a 1031 tax-deferred exchange as well as investors seeking a net-leased real estate investment on a cash basis. Though offering objectives and pro forma are based on contractual rent obligations, there is no guarantee that this offering will meet its investment objectives. Past performance of the Sponsor and any past offerings does not guarantee future results. Cash flow distribution is calculated by multiplying the targeted monthly investor distribution by 12, then dividing the result by the equity offering amount.

TENANT FINANCIALS, LEASE, AND LOCATION INFORMATION

CREDIT RATING	LOCATION	SQ. FT.	VEHICLE COUNT	YEAR 1 NOI	LEASE EXP.	TENANT FINANCIALS
	Kissimmee, FL	15,175	99,600	\$573,564	9/30/2034	
						
The leases are guaranteed by Baxalta Incorporated, which is a wholly-owned subsidiary of Takeda Pharmaceutical Co. Ltd. This entity is S&P Rated: Investment Grade BBB+ (Long-Term) A-2 (Short-Term)	Kyle, TX	17,027	29,142	\$629,324	12/31/2033	2025 Fiscal Year Revenue: \$30.05 Billion 2025 Fiscal Year Gross Profit: \$16.10 Billion 2025 Fiscal Year Net Income: \$709.37 Million 2025 Fiscal Year Revenue Growth: 1.02% 2025 Number of Stores: 275
	Mobile, AL	15,170	38,649	\$515,502	2/28/2035	
	Caledonia, MI	19,016	16,936	\$380,160	10/31/2040	
						
S&P Rated: Investment Grade BBB (Long-Term)	Rome, GA	22,005	24,400	\$439,000	4/30/2045	2024 Annual Revenue: \$14.88 Billion 2024 Annual Gross Profit: \$5.40 Billion 2024 Annual Net Income: \$1.10 Billion 2024 Annual Revenue Growth: 2.25% 2024 Number of Stores: 2,502
	Stockbridge, MI	22,037	8,450	\$337,740	10/31/2040	

NET-LEASED ALL-CASH 18 DST IS BACKED BY A 20-YEAR MASTER LEASE GUARANTEED BY THE EXCHANGERIGHT ESSENTIAL INCOME OPERATING PARTNERSHIP

Essential Income Operating Partnership

Guarantor of the Master Lease

\$2,855,290

Year 1 Master Lease Rent¹

281

Markets

10/31/2045

Master Lease Expiration

361

Properties

39

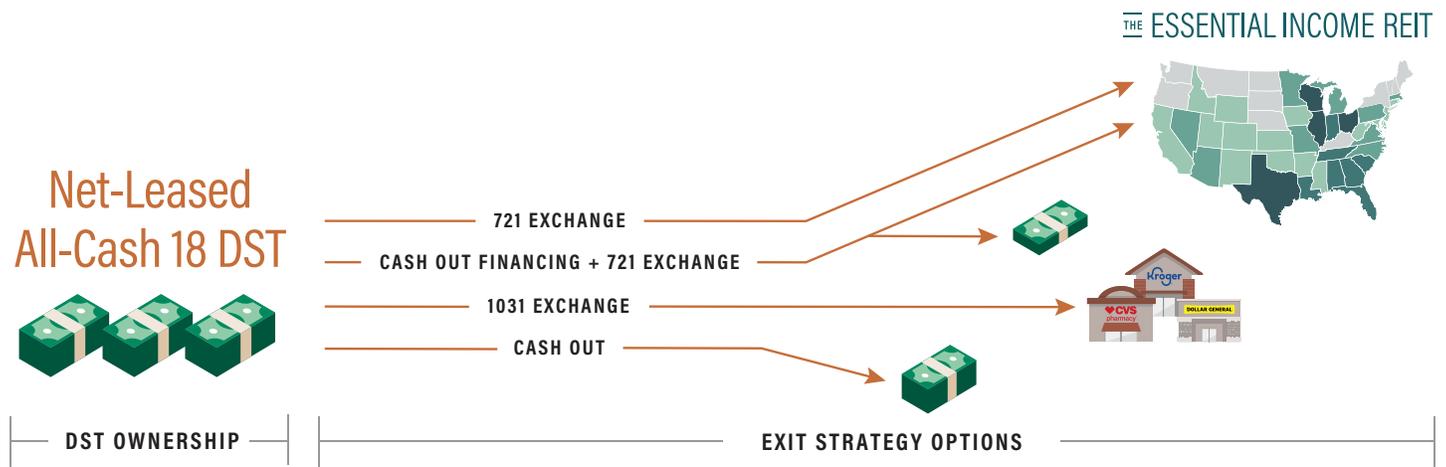
Historically Recession-Resilient Tenants

103.74%

AFFO Coverage ITD

¹ Year 1 Master Lease Rent reflects master lease rent for the first 12 months of the master lease. All ExchangeRight Essential Income REIT statistics are as of 9/30/25 unless otherwise noted. "Investment-grade" refers to tenants whose long-term corporate debt rating is considered investment grade by Standard & Poor's, Moody's, and/or Fitch. An investment grade rating is a rating that indicates that a corporate bond has a relatively lower risk of default than a corporate bond with a speculative grade. The S&P Credit Rating Scale rates AAA to BBB- as investment-grade and BB+ to D as speculative grade. Tenant financials reflect the most recent financial information for the Parent entity of each of the tenants. Adjusted Funds from Operations ("AFFO") is a widely recognized supplemental non-GAAP measure utilized to evaluate the financial performance of a REIT.

Net-Leased All-Cash 18's exit strategy is intended to capitalize on ExchangeRight's REIT platform and aggregation strategy by having the REIT platform acquire the DST interests and providing investors with the option to 1) complete another Section 1031 Exchange, 2) participate in a tax-deferred cash out financing targeting 20% of their total investment value to be distributed as financing proceeds and an exchange of the remaining equity interests under Section 721 of the Code, 3) participate in a tax-deferred exchange of their DST interests for ownership in an operating partnership of a REIT under Section 721 of the Code, 4) take all of their cash out on a non-tax-deferred basis, or 5) any combination of the above options. This strategy is intended to maximize value for DST owners by taking advantage of ExchangeRight's aggregated portfolio and providing investors electing to perform a 721 exchange with additional diversification by property, location, tenant, industry, lease term, and debt term.



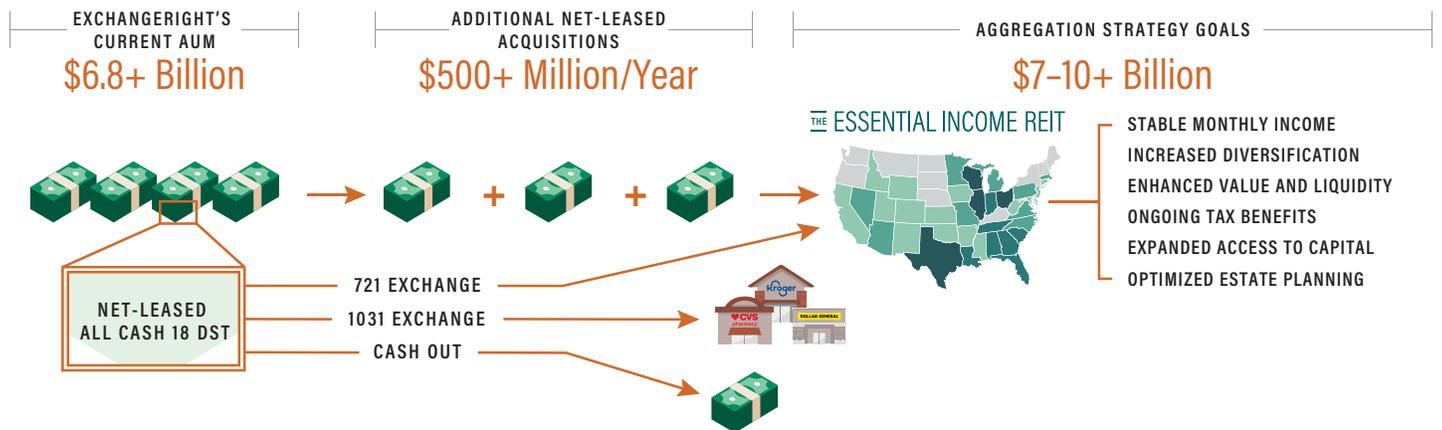
Past performance of the Sponsor and its past offerings do not guarantee future results. While there can be no guarantee that the Sponsor will meet its goal or that a liquidity or exit transaction will take place within our targeted timeframe, the Sponsor intends to pursue such an exit or liquidity event if we believe that it will be in the best interest of investors. The targeted exit options are also dependent on the ExchangeRight REIT's capital availability and are not guaranteed. Investment, exit, and liquidity objectives, timing, and results are not guaranteed.

ExchangeRight has utilized its fully scalable net lease DST and REIT platforms and deep industry relationships to aggregate a necessity-based retail and healthcare portfolio diversified by single-tenant properties; strong locations; primarily investment-grade tenants; recession-resilient industries; long-term net leases; and laddered, fixed-rate debt terms.

The Cash Flow and Value From ExchangeRight is Diversified by



ExchangeRight actively acquires properties with long-term net leases primarily to essential, recession-resilient, and investment-grade tenants across its DST and REIT platforms with the goal of growing its total assets under management to \$7-10+ billion within the next three years. ExchangeRight's aggregation strategy is intended to leverage the significant synergies between its net lease DST and REIT platforms in order to reduce risk and enhance value through increased diversification; expand capacity to accommodate liquidity needs; unlock additional access to capital; and optimize estate planning benefits on behalf of investors across both platforms.

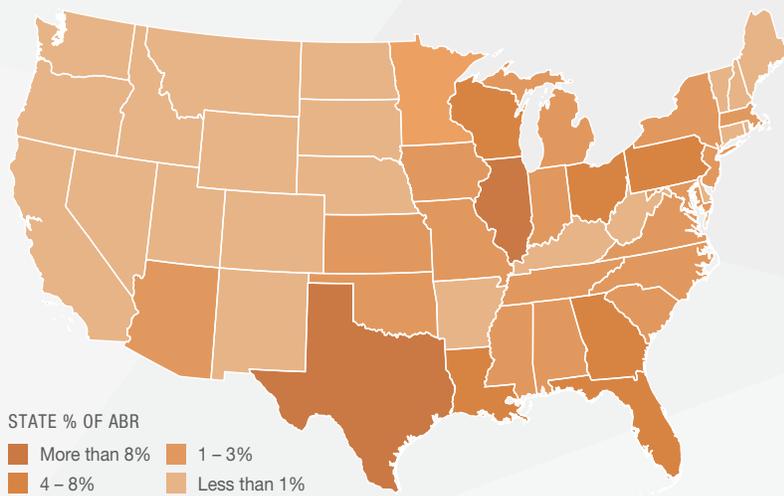


Past performance of the Sponsor and any past offerings does not guarantee future results. Investment, aggregation, and liquidity objectives, timing, and results are not guaranteed. Investing in this offering involves risk. Please review the PPM in its entirety so that you may understand and weigh the potential benefits and risks before making any investment decision.

ExchangeRight provides a vertically integrated, fully scalable real estate platform.

- › Underwriting and Acquisitions
- › Financing and Structuring
- › Leasing and Tenant Retention
- › Marketing and Dispositions
- › Asset and Property Management
- › Analysis and Legal
- › Professional and Timely Investor Reporting
- › Monthly Investor Distribution Schedule

ExchangeRight's Assets Under Management



\$6.8+ Billion

Assets Stewarded for Investors

1,400+ Properties

Diversified Across 48 States

93 Tenants

Primarily Investment-Grade

17 Industries

Primarily Necessity-Based
Retail and Healthcare

ExchangeRight's Track Record



9,000+

Investments Entrusted to ExchangeRight by Investors for the Stewardship of Their Wealth.



\$2.3+ Billion

of Distributions, Capital, and Gains Returned to Investors Inception-to-Date.



8.60%

Average Annual Total Return on all 34 Full-Cycle Offerings.¹



100%

of All Offerings Meeting or Exceeding Cash Flow Projections.

Assets under management (AUM) are reflective of ExchangeRight and its affiliates. All AUM statistics are as of 9/30/25. "Investment-grade" refers to tenants whose long-term corporate debt rating is considered investment grade by Standard & Poor's, Moody's, and/or Fitch. Past performance of the Sponsor does not guarantee future results. Aggregation and liquidity objectives, timing, and results are not guaranteed. Distributions are processed from cash flow and are not guaranteed. ¹To see our full track record of full-cycle offerings, please visit: <https://www.exchangeright.com/full-cycle-returns/>

DISCLOSURES & FORWARD-LOOKING STATEMENTS

Please read this Private Placement Memorandum (“PPM”) in its entirety and consult your tax and/or legal counsel before considering an investment in this Offering. This Offering is for accredited investors only. Past performance of the Sponsor, its Managing Partners, or their previous offerings does not guarantee future results.

Certain information set forth in the PPM contains mathematically derived pro forma information based on contractual lease obligations, and contractual operating expense and reimbursement requirements. In addition, the PPM contains targets and goals of this offering that describe strategies, outlooks, illustrations, other non-historical matters, and financial measures. These statements and illustrations help to explain the business plan and involve known and unknown risks, uncertainties, and other factors that may cause the actual results to differ materially from what we are intending to accomplish. Given these uncertainties, you should not place undue reliance on these targets. Except for statements of historical fact, information contained herein constitutes the business strategies and intentions of the Trust. These targets reflect management’s reasonable assumptions provided to allow potential investors the opportunity to understand management’s goals so that they may be used as one factor in evaluating the investment.

These strategies and targets are not guarantees or projections of future performance; as such, undue reliance should not be placed on them. There is no guarantee that ExchangeRight Net-Leased All-Cash 18 DST (the “DST” or “Trust” or “Investment”) will be successful or that the Manager will be successful in executing the Trust’s objectives. In the event of a market downturn, there may be lengthened illiquidity and/or disruption in performance.

This Investment relies upon the decisions of the Manager. Prior successes by any previous investments or their principals, officers, or managers does not guarantee future performance, nor are they any guarantee of liquidity, of a shorter- or longer-term hold period, against loss, or against an interruption or reduction in income—all of which are risks of real estate and real estate investments, including this Investment. The principals of the Manager have conflicts of interest that could impact the management of this Investment based on the needs and investment opportunities of other companies. This may lead to a conflict of interest between their various roles, including conflicts with the investors regarding decisions related to the Trust and management of the Trust. Do not invest solely based on distributions that the Trust may be targeting to generate. Any distributions will depend upon the successful operation of the properties that the Trust acquired. Returns are not guaranteed. There can be no assurance that liquidity will be obtained at any point in the future or that a future liquidity event would be profitable.

Material economic disruption globally or especially in the United States could have a material impact on the value of this Investment and could significantly delay or thwart potential liquidity events. Local development may also impact property values, as is the case with all real estate and real estate investments.

Please note that every real estate investment, including this Investment, is speculative, illiquid, has the potential for complete loss of principal, and carries downside risks due to variables such as potentially declining market values, re-leasing risk, interest rate risk, acts of God, and management and/or operations failures.

The Trust’s exit strategy intends to capitalize on ExchangeRight’s REIT platform and aggregation strategy and targeting to provide investors with the option to 1) complete another Section 1031 Exchange, 2) participate in a tax-deferred cash out financing targeting 20% of their total investment value to be distributed as financing proceeds and an exchange of the remaining equity interests under Section 721 of the Code, 3) participate in a tax-deferred exchange of their DST interests for ownership in an operating partnership of a REIT under Section 721 of the Code, 4) take all of their cash out on a non-tax-deferred basis, or 5) a combination of the above options. If a Section 721 is effectuated, the capital invested as a part of the transaction would be tax-deferred while remaining invested in the operating partnership of a REIT, but will no longer be able to participate in a future 1031 exchange. There is no guarantee that the Trust’s exit strategy will provide the exit options outlined or access to a REIT via a 721 exchange transaction.

Some photos in the PPM are representative of similar corporate-backed stores and may not be the actual locations included in the portfolio. “Investment-grade” refers to tenants whose long-term corporate debt rating is considered investment grade by Standard & Poor’s, Moody’s, and/or Fitch. An investment grade rating is a rating that indicates that a corporate bond has a relatively lower risk of default than a corporate bond with a speculative grade.

EXCHANGE RIGHT

It's our passion to empower people to be secure, free, and generous.



WWW.EXCHANGERIGHT.COM

1055 E. COLORADO BLVD, SUITE 310, PASADENA, CA 91106

PHONE: (855) 31-RIGHT (855) 318-4448 | FAX: (877) 711-4047 | INFO@EXCHANGERIGHT.COM

Pictures are representative of similar corporate-backed stores in the ExchangeRight portfolio and are not actual properties included in the portfolio.

DESCRIPTION OF THE PROPERTIES & OFFERING

ExchangeRight Net-Leased All-Cash 18 DST is a new Delaware statutory trust (the “**Trust**”) formed on August 27, 2025 pursuant to a Trust Agreement dated as of August 27, 2025 (the “**Trust Agreement**”). The Trust acquired the following portfolio of six properties located at (i) 1301 East Osceola Parkway, Kissimmee, Florida 34744; (ii) 906 Seton Parkway, Kyle, Texas 78640; (iii) 6105 Airport Boulevard, Mobile, Alabama 36608; (iv) 10300 Cherry Valley Avenue SE, Caledonia, Michigan 49316; (v) 2850 Shorter Avenue NW, Rome, Georgia 30165; and (vi) 4569 SM 52, Stockbridge, Michigan 49285 (collectively, the “**Properties**” or each, a “**Property**”). The Properties are 100% occupied net-leased single-tenant Properties, with the following tenants: three are operating as a BioLife Plasma Services, and three are operating as a Tractor Supply Company (the existing tenants and any new tenants at the Properties are referred to herein individually as a “**Tenant**” and collectively as the “**Tenants**”). ExchangeRight Real Estate, LLC, a California limited liability company (the “**Sponsor**” or “**ExchangeRight**”), is the present owner of the Trust. ExchangeRight Asset Management, LLC, a California limited liability company (the “**Manager**”), which is wholly owned by the Sponsor, has been appointed to manage the Trust pursuant to the Trust Agreement. **This Memorandum should be read in its entirety before making an investment decision.**

The Trust is hereby offering (this “**Offering**”) to prospective Accredited Investors (as hereinafter defined) (“**Investors**”) 100 newly-issued Class 1 beneficial ownership interests (the “**Interests**”) in the Trust at \$527,850 per Interest, pursuant to the terms of this confidential private placement memorandum, including all exhibits attached hereto and any supplements (this “**Memorandum**”). The Trust will offer and sell the Interests until the earlier of \$52,785,000 (the “**Maximum Offering Amount**”) of Interests are sold or until 12 months after October 31, 2025 (the “**Memorandum Date**”), which date may be extended for an additional six month period (at the discretion of the Manager) (the “**Offering Termination Date**”).

The Trust acquired the Properties during the period commencing October 29, 2025 through October 31, 2025 (the “**Closing Date**”) for a purchase price of \$44,551,946 from third parties unaffiliated with the Trust (the “**Sellers**”). The Properties are owned 100% by the Trust.

The Trust will sell beneficial interests in the Properties to the Investors in Interests. The difference between the purchase price for the Properties and the \$52,785,000 purchase price for the Interests (the “**Purchase Price**”) includes accountable reserves, transaction costs, legal fees, Offering costs, real estate and short-term equity financing costs (some of which are being paid to Affiliates of the Sponsor), acquisition fee to the Sponsor, Selling Commissions (as defined below), due diligence allowances, and related expenses.

The Trust is a passive owner of the Properties and will not be involved in any manner in the active management of the Properties. Concurrently with the acquisition of the Properties, the Trust entered into a Master Lease agreement (the “**Master Lease**”) with ExchangeRight Net-Leased All-Cash 18 Master Lessee, LLC, a Delaware limited liability company (the “**Master Lessee**”), which is wholly owned by the Sponsor, under which the Master Lessee will pay rent to the Trust and sublease the Properties to the Tenants. The Master Lease is guaranteed by ExchangeRight Income Fund Operating Partnership, LP, a Delaware limited partnership, an Affiliate of the Sponsor (the “**Operating Partnership**”). Prior to any Disposition (as defined below) of the Properties by the Trust, the rent paid to the Trust by the Master Lessee is the Trust’s sole source of income and the sole source of funds available to make any monthly cash distributions to holders of Interests (individually, an “**Owner**,” and collectively, the “**Owners**”). The Properties and the rights under the Master Lease are the significant non-cash assets of the Trust.

The proceeds of this Offering will be used by the Trust to pay short term equity financing arrangements (some of which were with Affiliates of the Sponsor), commissions, costs, fees, and expenses relating to the acquisition of the Properties and this Offering, as well as to redeem, on a one-for-one basis, the 100 Class 2 beneficial ownership interests in the Trust issued to the Sponsor on formation of the Trust (which Class 2 interests are currently the only outstanding ownership interests in the Trust). None of the Sponsor or its Affiliates will own any Class 1 interests and upon the sale of all the Interests, no Class 2 interests will remain outstanding. The Trust will not close this Offering until all the Interests are sold and all the Class 2 interests are redeemed (or until the Offering Termination Date, as set forth below); provided, however, that the Sponsor is required to have divested of all Class 2 interests within 12 months of the Memorandum Date, which date may be extended for an additional six month period (at the discretion of the Manager), such that the Sponsor or its affiliates will not own any interests in the Trust after such date.

An investment in the Interests is highly speculative and involves substantial risks. Owners must be prepared to bear the economic risk of an investment in the Interests for an indefinite period of time and be able to withstand a total loss of their investment. See “Who May Invest” and “Risk Factors” below.

These securities have not been approved or disapproved by the U.S. Securities and Exchange Commission (“SEC”) or the securities regulatory authority of any state, nor has the SEC or any securities regulatory authority of any state passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended (the “Securities Act” or “Act”) and applicable state securities laws, pursuant to registration or exemption therefrom. In addition, the Interests may only be transferred in compliance with the Trust Agreement. Owners should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

The main goals of the Trust are to (i) preserve the capital investment of the Owners; (ii) make monthly distributions to the Owners from cash generated by the Properties; (iii) execute a sale, disposition or merger of the Properties (collectively, a “Disposition”) via an exchange roll-up transaction pursuant to Section 721 of the Internal Revenue Code of 1986, as amended (the “Code”) to the Operating Partnership, the operating partnership of ExchangeRight Income Fund doing business as the ExchangeRight Essential Income REIT, a Maryland statutory trust, structured as a real estate investment trust (a “REIT”) or the operating partnership of another REIT managed and controlled by ExchangeRight (such operating partnership collectively referred to as an “ExchangeRight REIT”) and thereby targeting to provide individual Owners with the following exit options: (1) complete an exchange pursuant to Section 721 of the Code into the acquiring ExchangeRight REIT; (2) participate in a tax-deferred cash out financing targeting 20% of the Owner’s capital investment to be distributed as financing proceeds and an exchange of the remaining equity interests under Section 721 of the Code; (3) complete a Section 1031 Exchange (as defined below); (4) cash out (not tax-deferred); or (5) any combination of the above exit options; and (iv) take only such other actions as the Manager deems necessary to carry out the foregoing. The Trust currently estimates monthly distributions to be in an amount sufficient to provide the following approximate estimated annualized cash flow returns on the Owners’ investment:

- (i) 5.15% in year one;
- (ii) 5.19% in year two;
- (iii) 5.22% in year three;
- (iv) 5.25% in year four;
- (v) 5.30% in year five;
- (vi) 5.42% in year six;
- (vii) 5.46% in year seven;
- (viii) 5.49% in year eight;
- (ix) 5.52% in year nine; and
- (x) 5.58% in year 10.

However, there is no assurance that the Trust will be able to meet any of the above goals, including as to the manner, amount and timing of any distributions to Owners, as any such distributions will depend on actual income earned by the Trust. The targeted exit options are also dependent on the ExchangeRight REIT’s capital availability and are not guaranteed. The Trust’s objective is to maximize value to Owners through a portfolio aggregation and sale, transfer, or merger enabling the facilitation of either a tax-deferred exchange pursuant to Code Section 1031, to exchange their interests for ownership in an operating partnership of a REIT under Section 721 of the Code, cash out (not tax-deferred), or financing and exchanging their Interests for ownership in an operating partnership of a REIT under Section 721 of the Code (refer to the “Exit Strategy” section of this Memorandum), at the discretion of the individual DST investor. There is no assurance that the Trust’s exit strategy objectives will be met.

ExchangeRight's aggregation strategy and the REIT's valuation require affiliated portfolios to be accretive to the REIT prior to being included in the REIT's identified asset pipeline for acquisition. ExchangeRight's aggregation strategy and valuation approach are intended to provide the Trust and its Investors with capital preservation, stable income, and access to the REIT's long-term growth potential for Investors who are participating in the aggregation strategy via a tax-deferred exchange pursuant to Section 721 of the Code at exit. The purchase price for the Interests upon exit will be based on the Manager's determination based on available third-party valuation information and considering the Master Lease. The Manager anticipates any such purchase price determination will target a return of capital in addition to the stable income as part of this valuation process and Owners will have no control over the value of any such purchase price or the exit strategy. The Manager will obtain a third-party valuation of the Trust to determine the purchase price if a Disposition is being made through an Affiliated acquisition and any such Disposition would result in less than a full return of the Owners' original capital contributions to the Trust. For Trust Investors who do not participate in the REIT's broader aggregation strategy and instead choose a Section 1031 Exchange or to cash out at exit, ExchangeRight targets providing capital preservation and stable income throughout the Trust hold period.

This Memorandum describes the key features of this Offering, including a description of a number of risks relating to an investment in the Interests. You should carefully read this entire Memorandum before you decide to invest. If you are considering an investment in the Interests for purposes of an exchange designed to comply with Code Section 1031, you should consult with your own tax advisor about this Offering's tax aspects and your individual situation. No representation or warranty of any kind is made with respect to the treatment of the Interests by the Internal Revenue Service (the "IRS"). The use of a Delaware statutory trust structure for this type of investment is a relatively recent development. The Trust is different from traditional investment vehicles in many aspects and due to its structure, the structure of this Offering. You should also be aware that certain conflicts of interest may arise by and among the Owners and the Trust, the Sponsor, the Manager, the Property Manager, the Master Lessee and their Affiliates.

In order to subscribe for Interests, prospective Investors will be required to (i) sign the Purchase Agreement, a copy of which is attached hereto as Exhibit B ("**Purchase Agreement**"); (ii) complete and sign the Subscription Agreement, a copy of which is attached hereto as Exhibit C ("**Subscription Agreement**"); and (iii) pay the full purchase price for their Interests, which payment will be held in the Trust's bank account until acceptance by the Manager, in its sole discretion, of that subscription. The Trust has not set a minimum offering amount for this Offering.

YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING:

Do not construe the contents of this Memorandum as legal or tax advice. Consult your own independent counsel, accountant or business advisor as to legal, tax and related matters concerning an investment in Interests. Neither the Trust, the Sponsor, nor any of their affiliates makes any representation or warranty of any kind with respect to the acceptance by the IRS or any state taxing authority of your treatment of any item on your tax return or the tax consequences if you are investing in Interests as part of a like-kind exchange under Code Section 1031.

The Interests offered hereby are highly speculative and involve substantial risks. Prospective Investors must read and carefully consider the discussion set forth under "RISK FACTORS" for a complete discussion of risks. Issues to consider and risks of an investment in an Interest include, among other things, the following:

- Uncertainties surrounding current economic conditions including, but not limited to, increasing interest rates and inflation and market volatility;
- complete reliance on the Manager and Master Lessee to operate, manage and maintain the Properties;
- limited to no control over the operation of the Properties and the timing of its Disposition pursuant to the Trust Agreement;
- lack of liquidity;
- lack of diversity of investment;

- various conflicts of interest among the Sponsor, the Manager, the Property Manager, the Master Lessee and their Affiliates;
- various risks associated with ownership of real estate generally;
- the Purchase Price for the Interests offered; and
- certain tax risks.

The mailing address of the Trust for purposes of this Offering is 9215 Northpark Drive, Johnston, IA 50131 and its telephone number is 855-379-8172.

Prospective Investors must consult with their own independent legal, tax and financial advisors prior to purchasing the Interests. Purchase of the Interests is suitable only for persons of substantial means who have no need for liquidity in their investment. Prospective Investors should carefully consider the following:

1. This Memorandum does not constitute legal or tax advice to prospective Investors, and each prospective Investor must consult his own independent legal counsel, accountant and/or business advisor as to legal, tax and related matters concerning this investment.

2. The securities offered hereby may be offered and sold only to persons or entities who meet the investor suitability requirements set forth under “Who May Invest” in this Memorandum.

3. No person has been authorized by the Trust or the Sponsor to make any representations or furnish any information with respect to the Trust and/or the Interests other than as set forth in this Memorandum or other documents or information furnished by the Trust or the Sponsor upon request. However, authorized representatives of the Trust will, if such information is reasonably available, provide additional information that a prospective Investor (or his representatives) requests for the purpose of evaluating the merits and risks of the Offering.

4. This Memorandum has been prepared solely for the benefit of persons interested in the proposed private placement of Interests offered hereby. Without the prior written consent of the Trust, any reproduction or distribution of this Memorandum, the exhibits, or any other documents received from the Sponsor (the “**Memorandum Materials**”), in whole or in part, or the disclosure of any of their contents is expressly prohibited. The recipient, by accepting delivery of the Memorandum Materials, agrees to return this Memorandum, and all documents furnished herewith to the Trust or its representatives immediately upon request if the recipient does not purchase any of the Interests or if this Offering is withdrawn or terminated.

5. Trustees, custodians and fiduciaries of retirement and other plans subject to the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), or Code Section 4975 (including individual retirement accounts) should consider, among other things: (i) the substantial likelihood that the plan, although generally exempt from federal income taxation, would be subject to income taxation were its unrelated business taxable income from an investment in the Trust and other unrelated business taxable income to exceed \$1,000 in any taxable year (it is anticipated that the Trust will generate unrelated business taxable income); (ii) whether an investment in the Trust is advisable given the definition of plan assets under ERISA and the status of Department of Labor regulations regarding the definition of plan assets; (iii) whether an investment in the Trust is in accordance with plan documents and satisfies the diversification requirements of Section 404(a) of ERISA; (iv) whether the investment is prudent under Section 404(a) of ERISA, considering the nature of an investment in, and the compensation structure of, the Trust and the potential lack of liquidity of the Interests; (v) that the Trust has no history of operations; and (vi) whether the Trust, the Sponsor, the Manager or any of their respective affiliates is a fiduciary or party in interest to the plan. The prudence of a particular investment must be determined by the responsible fiduciary taking into account all the facts and circumstances of the qualified plan and of the investment. See “Federal Income Tax Consequences – Investment by Qualified Plans and IRAs – Unrelated Business Taxable Income” and “Certain Considerations Applicable to ERISA, Governmental and Other Plan Investors.”

6. The Trust may reject the Purchase Agreement of a prospective Investor for any legal reason, including failure to conform to the requirements of this Offering or such other reasons as the Trust may determine.

Once accepted by the Trust, the Purchase Agreement may not be revoked or terminated by the Owner for any reason, except as expressly set forth herein.

7. This Offering is made exclusively by this Memorandum. This Memorandum contains a summary of certain provisions of the transaction documents and certain other documents related to this Offering, which summaries are believed to be accurate, but only the full text of such documents contains complete information concerning the rights and obligations of the parties thereto. Such information necessarily incorporates significant assumptions and factual matters. A prospective Investor can obtain any additional information relating to an investment in the Interests that the Trust possesses or can acquire without unreasonable effort or expense that is necessary to verify the information that is provided in this Memorandum. See “Additional Information.”

8. Interests may not be sold, transferred, pledged or assigned without the prior written consent of the Sponsor or the Manager. The Sponsor or the Manager may disapprove any proposed transfer that may have adverse tax consequences to the Trust or the other Owners; that may violate or require registration or qualification under applicable securities laws or jeopardize any securities law exemption relied upon by the Trust; or that may result in the assets of the Trust being deemed to be plan assets of any Benefit Plan Investor (as defined in “Certain Considerations Applicable to ERISA, Governmental and Other Plan Investors”). Because the Interests are not registered under the Securities Act, or the securities laws of any state, Owners cannot transfer them unless: (a) they are registered under the Securities Act and any applicable state securities laws, which registration the Sponsor does not expect to occur, or (b) the Sponsor, with the advice of counsel, concludes that registration is not required under the Securities Act and applicable state laws. No public market exists for the Interests and none is expected to develop.

The securities offered hereby have not been registered under the Securities Act or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such laws. The securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and such laws pursuant to registration or exemption therefrom.

In making an investment decision, prospective Investors must rely on their own examination of the person or entity creating the securities and the terms of the Offering, including the merits and risks involved.

The Securities Act and the securities laws of certain jurisdictions grant purchasers of securities sold in violation of the registration or qualification provisions of such laws the right to rescind their purchase of such securities and to receive back their consideration paid. The Sponsor believes that the Offering described in this Memorandum is not required to be registered or qualified. Many of these laws granting the right of rescission also provide that suits for such violations must be brought within a specified time, usually one year from discovery of facts constituting such violation. Should any Owner institute such an action on the theory that this Offering was required to be registered or qualified, the Sponsor contends that the contents of this Memorandum constituted notice of the facts constituting such violation.

This Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation.

This Memorandum contains summaries of certain agreements and other documents. While the Trust believes these summaries are accurate, reference is made to the actual agreements and documents for more complete information about the rights, obligations and other matters in the agreements and documents. All summaries are qualified in their entirety by this reference. Copies of these agreements and other documents will be made available to you by the Trust upon request.

None of the Trust, the Sponsor or the Manager are making any representation to any prospective Investor regarding the legality or appropriateness of an investment in the Interests under any laws or regulations. You should not consider any information contained in this Memorandum to be legal, business or tax advice. You should consult your own attorney and business and tax adviser for legal, business and tax advice regarding an investment in the Interests.

The Trust will not close this Offering until all the Interests are sold and all the Class 2 interests are redeemed (or until the Offering Termination Date, as set forth below); provided, however, that the Sponsor is required to have divested of all Class 2 interests within 12 months of the Memorandum Date, which date may be extended for an additional six month period (at the discretion of the Manager), such that the Sponsor or its affiliates will not own any interests in the Trust after such date. There is no guaranty that the Maximum Offering Amount will be received or accepted.

This Offering is being conducted pursuant to Rule 506(b) of Regulation D and is not being conducted pursuant to Rule 506(c) of Regulation D. As a result, no general advertising or general solicitation is permitted in connection with the sale of the Interests. In the event that any such general advertising or general solicitation occurs, the Trust may not be able to qualify for an exemption from registration under the Securities Act.

A WARNING ABOUT FORWARD-LOOKING STATEMENTS

Some of the statements in this Memorandum, expressly including “Risk Factors” and the targeted financial results attached as “Exhibit G – Pro Forma Rent and Cash Flow for the Properties” (the “**Pro Forma**”), as well as those statements using words such as “believes,” “expects,” “intends,” “estimates,” “projects,” “predicts,” “assumes,” “anticipates,” “plans,” “seeks” and comparable terms, are forward-looking statements. Forward-looking statements are not statements of historical fact, and they reflect the Trust’s views and assumptions as of the date of this Memorandum regarding future events and operating performance. Because the Trust has no operating history, most of the statements relating to it and its business plan are forward-looking statements. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are important factors that could cause the Trust’s actual results to differ materially from those indicated in these statements. We believe that these factors, include, but are not limited to, those described under “Risk Factors,” including the following:

- the Trust’s income and ability to make distributions,
- the rate of growth and expansion of the local and regional economy where the Properties are located,
- future rental rates for the Properties,
- the growth of the single-tenant and net-leased retail building industry market,
- lease defaults and renewals, and
- operating expenses regarding the Properties.

This list of factors is not exhaustive and should be read with the other cautionary statements that are included in this Memorandum. The market data and forecasts used in this Memorandum were obtained from independent industry sources as well as from research reports prepared for other purposes. We have not independently verified the data obtained from these sources and we cannot assure you of the accuracy or completeness of the data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements in this Memorandum. All subsequent written and oral forward-looking statements attributable to the Trust or persons acting on its behalf are expressly qualified in their entirety by this section. You should specifically consider the factors identified in this Memorandum that could cause actual results to differ from those discussed in the forward-looking statements before making an investment decision. We do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future events or otherwise.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

	Page
EXECUTIVE SUMMARY	1
DESCRIPTION OF THE PROPERTIES & THE OFFERING.....	9
WHO MAY INVEST.....	16
HOW TO SUBSCRIBE	20
SUMMARY	21
SPONSOR BACKGROUND.....	27
BUSINESS PLAN.....	27
SUMMARY OF THE LEASES	30
DESCRIPTION OF THE PROPERTIES	32
ESTIMATED USE OF PROCEEDS	38
RISK FACTORS.....	41
ACQUISITION TERMS	60
THE SPONSOR AND ITS MANAGEMENT	61
THE MANAGER.....	64
THE MASTER LESSEE	65
PRIOR PERFORMANCE OF THE SPONSOR AND ITS AFFILIATES	66
COMPENSATION OF THE SPONSOR, THE MANAGER AND THEIR AFFILIATES	85
THE TRUST AND SUMMARY OF THE TRUST AGREEMENT	89
SUMMARY OF THE MASTER LEASE.....	93
SUMMARY OF THE PURCHASE AGREEMENT.....	97
SUMMARY OF THE LIMITED LIABILITY COMPANY AGREEMENT	98
LIMITED FIDUCIARY DUTY	101
CONFLICTS OF INTEREST	101
DESCRIPTION OF THE INTERESTS.....	104
PLAN OF DISTRIBUTION	104
FEDERAL INCOME TAX CONSEQUENCES.....	107
CERTAIN CONSIDERATIONS APPLICABLE TO ERISA, GOVERNMENTAL AND OTHER PLAN INVESTORS	118
LITIGATION.....	121
ADDITIONAL INFORMATION	121
EXHIBITS:	
EXHIBIT A	TRUST AGREEMENT
EXHIBIT B	PURCHASE AGREEMENT
EXHIBIT C	SUBSCRIPTION AGREEMENT
EXHIBIT D	MASTER LEASE
EXHIBIT E	LLC AGREEMENT
EXHIBIT F	TAX OPINION
EXHIBIT G	PRO FORMA RENT AND CASH FLOWS FOR THE PROPERTIES

WHO MAY INVEST

The Interests are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and applicable state securities laws. An investment in the Interests involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in any investment. See “Risk Factors.” Interests will be sold only to prospective Investors who: (i) buy a minimum of a 0.18945% Interest (\$100,000 of equity), subject to certain exceptions in the discretion of the Manager, and (ii) meet the requirements and make the representations set forth in the Purchase Agreement. See “Summary of the Purchase Agreement” and “How to Subscribe.” Among the other suitability requirements set forth in the Purchase Agreement, you must represent, among others, that you meet all of the following requirements:

1. You are either (A) an “**Accredited Investor**” as defined in Rule 501(a) of Regulation D under the Securities Act (and as set forth below) or (B) a “**Sophisticated Investor**” as defined under the Securities Act (and as set forth below) (for purposes of this Memorandum, Accredited Investors and Sophisticated Investors shall be collectively referred to herein as “**Investors**” or each an “**Investor**”).
 - a. For purposes of this Memorandum, an “**Accredited Investor**,” as defined in Rule 501(a) of Regulation D under the Securities Act (17 CFR § 230.501(a)(1)-(13)), includes:
 - i. Any natural person that: (i) has an individual net worth, or joint net worth with his or her spouse, of more than \$1,000,000; (ii) has individual income in excess of \$200,000, or joint income with his or her spouse or spousal equivalent (defined as a cohabitant occupying a relationship generally equivalent to that of a spouse) in excess of \$300,000, in each of the two most recent years and has a reasonable expectation of reaching the same income level in the current year; (iii) is a Licensed General Securities Representative (Series 7), Licensed Investment Adviser Representative (Series 65) and Licensed Private Securities Offerings Representative (Series 82); (iv) is a “knowledgeable employee” of a private fund, including, but not limited to, trustees and advisory board members of a private fund or an affiliated person of the private fund that oversees the private fund’s investments, as well as employees of the private fund or the affiliated person of the private fund who, in connection with the employees’ regular functions or duties, have participated in the investment activities of such private fund for at least 12 months; and (v) has a professional certification, designation or credential from an accredited educational institution that the SEC designates as qualifying for Accredited Investor status;
 - ii. any entity that owns investments in excess of \$5,000,000 and that was not formed for the specific purpose of investing in the securities offered;
 - iii. any investment adviser registered under federal or state law (and Exempt Reporting Advisers relying on Section 203(m) or 203(l) of the Investment Advisers Act of 1940, as amended);
 - iv. any rural business investment company (defined as entities who are approved by the U.S. Secretary of Agriculture and have entered into a participation agreement with the U.S. Secretary of Agriculture);
 - v. any family office with at least \$5,000,000 in assets under management and that was not formed for the specific purpose of acquiring the securities offered, and whose investment is directed by a person capable of evaluating the merits and risks of the prospective investment;
 - vi. Any bank as defined in Section 3(a)(2) of the Securities Act, any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;

- vii. Any broker-dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended;
- viii. Any insurance company as defined in Section 2(13) of the Securities Act;
- ix. Any investment company registered under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “**Investment Company Act of 1940**”) or a business development company (as defined in Section 2(a)(48) of that Act);
- x. Any small business investment company licensed by the U.S. Small Business Administration under Section 301(c) or (d) or the Small Business Investment Act of 1958, as amended;
- xi. Any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets of more than \$5,000,000;
- xii. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended);
- xiii. Any corporation, Massachusetts or similar business trust, partnership or organization described in Code Section 501(c)(3) that has total assets over \$5,000,000 and was not formed for the specific purpose of acquiring the Interests;
- xiv. Any trust, with total assets in excess of \$5,000,000 that was not formed for the specific purpose of acquiring the Interests and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Interests (as described in Rule 506(b)(2)(ii) under the Securities Act); or
- xv. Any entity in which all of the equity owners are Accredited Investors.

For purposes of calculating your net worth, “**net worth**” is defined as the difference between total assets and total liabilities, excluding the value of your primary residence. In the case of fiduciary accounts, the net worth and/or income suitability requirements must be satisfied by the beneficiary of the account or by the fiduciary, if the fiduciary directly or indirectly provides funds for the purchase of the Interests.

- b. For purposes of this Memorandum, a “**Sophisticated Investor**,” as defined under the Securities Act (17 CFR § 230.506(b)), includes a purchaser who (1) is not an Accredited Investor either alone or with his/her/its purchaser representative(s) and who has such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of the prospective investment, or the issuer reasonably believes immediately prior to making any sale that such purchaser comes within this description and (2) has a purchaser representative to assist with the subscription of Interests.
2. You are (i) a citizen or resident of the United States. (including certain former citizens and former long-term residents); (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or of any political subdivision thereof; (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (iv) a trust, if (A) the administration of the trust is subject to the primary supervision of a U.S. court and the trust has one or more U.S. persons with authority to control all substantial decisions or (B) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

3. You have received, read and fully understand this Memorandum and are basing your decision to invest on the information contained in this Memorandum. You have relied only on the information contained in this Memorandum and have not relied on any representations made by any other person.
4. You understand that an investment in the Interests is highly speculative and involves substantial risks and you are fully cognizant of and understand all of the risks relating to an investment in the Interests, including, but not limited to, those risks discussed in “Risk Factors.”
5. Your overall commitment to investments that are not readily marketable is not disproportionate to your individual net worth and your investment in the Interests will not cause such overall commitment to become excessive.
6. You have adequate means of providing for your financial requirements, both current and anticipated and have no need for liquidity in this investment.
7. You can bear and are willing to accept the economic risk of losing your entire investment in the Interests.
8. You are acquiring the Interests for your own account and for investment purposes only and have no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of the Interests.
9. You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits of investing in the Interests and have the ability to protect your own interests in connection with such investment.

Representations with respect to the foregoing and certain other matters will be made by each Owner in the Purchase Agreement and Subscription Agreement, forms of which are attached to this Memorandum as exhibits. The Trust will rely on the accuracy of each person’s or entity’s representations set forth therein and may require additional evidence that any such person or entity meets the applicable standards at any time prior to the Trust’s acceptance of the Purchase Agreement. A prospective Investor is not obligated to supply any information requested by the Manager, but the Manager may reject any prospective Investor who fails to supply any such information.

If you do not meet the requirements described above, do not read further and immediately return the Memorandum Materials to the Trust or the applicable Broker-Dealer (as defined below). If you do not meet such requirements, this Memorandum shall not constitute an offer to sell the Interests to you.

Also, each prospective Owner must represent and warrant the following as an additional investment requirement:

The Owner understands that the tax consequences of an investment in an Interest, especially the qualification of the Interests under Section 1031 and the related “1031 Exchange” Rules, are complex and vary with the facts and circumstances of each individual Owner. The Owner represents and warrants that: (i) he has consulted his own independent tax advisor regarding an investment in an Interest and the qualification of the transaction under Section 1031, and (ii) he is not relying on (a) the Trust, the Sponsor, the Manager, any of their Affiliates, or their agents, including, without limitation, their counsel and accountants, or (b) any Broker-Dealer or the representatives of a Broker-Dealer through whom the Interest is purchased, for any tax advice whatsoever, including, without limitation, regarding the qualification of the Interest under Section 1031 or any other matter.

The investor suitability requirements stated above represent minimum suitability requirements, as established by the Trust, for Owners. However, satisfaction of these requirements by any such person or entity will not necessarily mean that an Interest is a suitable investment for such person or entity, or that the Trust will accept such person or entity as an Owner. Furthermore, the Trust, as appropriate, may modify such requirements, and such modification may raise the suitability requirements for Owners.

The written representations made by the prospective Investors will be reviewed to determine the suitability of each such person or entity. The Trust may refuse an offer to purchase the Interests if the Trust believes that such person or entity does not meet the applicable investor suitability requirements, the Interests otherwise constitute an unsuitable investment for such person or entity for any legal reason.

Compliance with Anti-Money Laundering Regulations

As part of the Trust's responsibility for the prevention of money laundering, the Trust and the Manager and his Affiliates, subsidiaries or associates may require a detailed verification of a subscriber's identity, any beneficial owner underlying the account and the source of any payment to the Trust.

The Trust and the Manager each reserve the right to request such information as is necessary to verify the identity of a subscriber and the underlying beneficial owner of an Investor's interest in the Trust. In the event of delay or failure by the subscriber or Owner to produce any information required for verification purposes, the Trust may refuse to accept a subscription or may cause the withdrawal of any such Owner from the Trust. The Manager, by written notice to any Owner, may suspend the payment of distribution proceeds to such Owner if the Manager deems it necessary to do so to comply with anti-money laundering regulations applicable to the Trust, the Manager, and his Affiliates, subsidiaries or associates or any of the Trust's other services providers.

Each Owner will be required to make such representations to the Trust as the Trust, the Manager and his Affiliates, subsidiaries or associates or any of the Trust's other service providers will require in connection with such anti-money laundering programs, including, without limitation, representations to the Trust that such Owner is not a prohibited country, territory, individual or entity listed on the Department of Treasury's Office of Foreign Assets Control ("OFAC") website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programs. Such prospective Owner will also be required to represent to the Trust that amounts contributed by it to the Trust were not directly or indirectly derived from activities that may contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

HOW TO SUBSCRIBE

If, after carefully reading this entire Memorandum, you would like to purchase Interests, please complete and sign the enclosed Purchase Agreement and Subscription Agreement. The minimum purchase amount is a 0.18945% Interest (\$100,000 of equity), although the Manager may waive or lower the minimum purchase requirement for certain prospective Investors in its sole discretion.

Prospective Investors should deliver their completed and signed Purchase Agreement and the Subscription Agreement (including its financial statement as required by the Subscription Agreement) to the Manager at:

**Investor Relations
ExchangeRight Asset Management, LLC
c/o ExchangeRight Net-Leased All-Cash 18 DST
9215 Northpark Drive
Johnston, IA 50131**

Prospective Investors should deliver an amount equal to the full amount of their purchase price for their Interests to the Trust either by (i) a check payable to “**ExchangeRight Net-Leased All-Cash 18 DST**” or (ii) a wire transfer to ExchangeRight Net-Leased All-Cash 18 DST.

For increased security, we will provide wiring instructions to all investors separately. Please call in advance of initiating any wire to verify account information. **No investor or their representatives should initiate a wire until such wiring instructions have been verified by phone with ExchangeRight’s Investor Relations department at 855-379-8172.**

This is not a minimum offering. All proceeds from the sale of Interests will be delivered directly to the Trust’s operating account. See “Plan of Distribution - No Minimum; Ownership by the Sponsor and/or one of the Owners of the Sponsor.”

Following receipt of your completed and signed Purchase Agreement and Subscription Agreement and verification of your investment qualifications, within 30 days of receipt the Manager will notify you of the receipt and whether it has determined to accept your subscription (in the Manager’s sole discretion).

If your subscription is accepted, you must deliver an amount equal to the full amount of your purchase price for your Interests to the Trust either by (i) a check or (ii) a wire transfer on or before the Funding Date (as defined in the Purchase Agreement). The Trust will provide you with at least two business days’ advance written notice of the Funding Date.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

SUMMARY

The following summary provides certain limited information about this Offering. It should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum, including the documents attached as exhibits. You should read this entire Memorandum before deciding to make an investment.

General

- Defined Terms: An “**Affiliate**” of any natural person, corporation, partnership, trust, unincorporated association or other legal entity (a “**Person**”) shall, for purposes hereof, be any Person employed by or directly or indirectly controlling, controlled by or under common control with another Person.
- Risks: An investment in Interests is highly speculative and involves substantial risks. See “Risk Factors.”

The Offering

- Interests Offered: The Trust is offering 100 Interests at \$527,850 per Interest. The minimum purchase is a 0.18945% Interest (\$100,000 of equity), although the Manager may waive or lower the minimum purchase requirement in its sole discretion. See “Plan of Distribution” and “Description of Interests.”
- Offering Termination Date: The Trust will offer Interests until the Offering Termination Date, which is the earlier of (i) \$52,785,000 of Interests being sold or (ii) until 12 months after the Memorandum Date, which date may be extended for an additional six month period (at the discretion of the Manager).
- Estimated Use of Proceeds: The Offering of the Interests is being made for purposes of paying all fees and expenses related to the Offering, including proceeds used to acquire the assets and equity financing costs (some of which were provided by Affiliates of the Sponsor). The Trust has not set a minimum offering amount for this Offering. See “Estimated Use of Proceeds” and “Compensation of the Sponsor, Manager and their Affiliates.”
- Tax Considerations: In connection with the Offering, on the date of this Memorandum, we obtained from our U.S. federal income tax counsel, Venable LLP (“**Tax Counsel**”), a tax opinion (the “**Tax Opinion**”) stating that: (i) the Trust should be treated as an investment trust described in Treasury Regulation Section 301.7701-4(c) that is classified as a “trust” under Treasury Regulation Section 301.7701-4(a); (ii) the Owners should be treated as “grantors” of the Trust; (iii) as “grantors,” the Owners should be treated as owning an undivided fractional interest in each of the Properties for federal income tax purposes; (iv) the Interests should not be treated as securities for purposes of Code Section 1031; (v) the Interests should not be treated as certificates of trust or beneficial interests for purposes of Code Section 1031; (vi) the Master Lease should be treated as a true lease and not a financing for federal income tax purposes; (vii) the Master Lease should be treated as a true lease and not a deemed partnership for federal income tax purposes; (viii) the discussions of the federal income tax consequences contained in the Memorandum are correct in all material respects; and (ix) certain judicially created doctrines should not apply to change the foregoing conclusions. A copy of the Tax Opinion is attached hereto as Exhibit F.

The opinion will be written to support the promotion or marketing of the Offering, and each Owner must seek advice based on the Owner's particular circumstances from an independent tax advisor.

Each Owner must report his proportionate share of taxable income or loss on his own federal income tax return. For a more complete discussion of the tax consequences of ownership of Interests, see "Federal Income Tax Consequences."

Each prospective Investor must consult with his tax advisor concerning the identification requirements under Code Section 1031 and other requirements for successfully completing a qualifying like-kind exchange under Code Section 1031.

THE PROSPECTIVE INVESTORS WILL ACQUIRE THEIR INTERESTS WITHOUT ANY REPRESENTATIONS OR WARRANTIES FROM THE TRUST, THE SPONSOR, THE MANAGER OR ANY OF THEIR AFFILIATES OR REPRESENTATIVES, AGENTS OR COUNSEL REGARDING THE TAX IMPLICATIONS OF THE TRANSACTION. EACH PROSPECTIVE INVESTOR MUST CONSULT HIS OR HER OWN INDEPENDENT ATTORNEYS, ACCOUNTANTS AND OTHER TAX ADVISORS REGARDING THE TAX IMPLICATIONS OF THE INVESTOR'S PURCHASE OF AN INTEREST, INCLUDING WHETHER SUCH PURCHASE WILL QUALIFY AS PART OF A PROPOSED TAX-DEFERRED EXCHANGE UNDER CODE SECTION 1031 (A "SECTION 1031 EXCHANGE"), IF ONE IS CONTEMPLATED.

There are risks associated with the federal taxation of the purchase of an Interest, particularly where the purchase is intended to be part of a Section 1031 Exchange. Accordingly, all prospective Investors must consult their own independent legal, tax, accounting and financial advisors and must represent that they have done so as an investment requirement. You should carefully read the sections of this Memorandum entitled "Risk Factors – Tax Risks of a Section 1031 Exchange" and "Federal Income Tax Consequences" and consult with your personal tax advisor before making an investment in Interests. See "RISK FACTORS" below.

The Trust

- Organization: The Trust was formed pursuant to the Trust Agreement. The Trust is newly formed and has no prior operating history. The Trust is a passive owner of the Properties and will not be involved in any manner in the active management of the Properties. See "The Trust and Summary of the Trust Agreement."
- Owners: The Trust is owned by the Owners, who will hold all of the Interests in the Trust. See "The Trust and Summary of the Trust Agreement."
- Trustee: Gregory Harrison, an unaffiliated third party, and an officer of Stewart Management Company located in Wilmington, Delaware (the "Trustee") is the Trustee of the Trust pursuant to the Trust Agreement, as well as the Independent Director (as defined in the Trust Agreement). See "The Trust and Summary of the Trust Agreement."

Manager:	The Manager is ExchangeRight Asset Management, LLC, a California limited liability company, which is wholly owned by the Sponsor, is the Manager of the Trust. The Manager was formed in 2012. The Manager will manage the Trust in the manner provided in the Trust Agreement. See “The Trust and Summary of the Trust Agreement,” “Compensation of the Sponsor, the Manager and their Affiliates,” “The Manager” and “Conflicts of Interest.”
Trustee and Manager Compensation:	<p>The Manager and the Trustee will receive the following compensation for their services from the Trust’s cash from operations:</p> <p>(1) The Trustee will receive an annual fee of \$750 for its services as Trustee.</p> <p>(2) The Property Manager entered into an asset management agreement with the Manager and shall pay the Manager an annual asset management fee of 0.40% of the gross operating income of the Properties (the “Asset Management Fee”) during the hold period. It is anticipated that the Manager will assist in marketing and selling the Properties, and thus, if the Manager provides such services, and if upon a Disposition of the Properties the gross proceeds of any Disposition including the return of any reserves are in excess of \$52,785,000 (in cash or in kind), the Manager will be entitled to receive a fee equal to 2.0% of the gross proceeds of any such Disposition of the Properties pursuant to the Trust Agreement, with such amount to be in addition to any payments to unrelated third-party real estate brokers that the Trust hires to sell the Properties and any payments to buyer’s brokers. See “The Trust and Summary of the Trust Agreement,” “Compensation of the Sponsor, the Manager and their Affiliates.”</p>
Property Manager:	The Master Lessee entered into a property management agreement with NLP Management, LLC, an Iowa limited liability company (“ Property Manager ”), which is wholly owned by the Sponsor, for the day-to-day management of the Properties for an annual fee of 2.90% of the gross operating income of the Properties (the “ Property Management Fee ”), of which 0.40% will be assigned to the Manager as the asset management fee and, thus, the Property Manager will receive a fee of 2.50% of the gross operating income of the Properties. The Property Manager may subcontract all or certain portions of the day-to-day management of the Properties with an unrelated, third-party professional management company or companies.
The Master Lessee:	The Master Lessee is wholly owned by ExchangeRight. See “The Trust and Summary of the Trust Agreement” and “Summary of the Master Lease.”
Master Lessee Capitalization:	The Master Lessee is a newly formed Delaware limited liability company wholly owned by the Sponsor. The Master Lessee’s rental payments are guaranteed by the Operating Partnership.
Term of the Trust:	The Trust shall have perpetual existence and shall be dissolved and wound up in accordance with Section 3808 of the Delaware Statutory Trust Act upon the first to occur of (i) the Disposition of all the Properties or (iii) an LLC Conversion (the “ Trust Expiration Date ”). See “Summary of the Trust Agreement.”
Trust Limitations:	The Trust is not empowered or permitted to (i) sell, transfer, exchange or otherwise dispose of the Properties, except as required under the Trust Agreement; (ii) invest any cash held by the Trust in anything other than U.S.

Treasury obligations or deposits in federally-insured institutions; (iii) reinvest any monies of the Trust, except to make minor non-structural modifications or repairs to the Properties as permitted under the Trust Agreement; (iv) upon the Disposition of all the Properties pursuant to the Trust Agreement, re-invest the proceeds of such Disposition; (v) enter into any new financing; (vi) renegotiate, alter or extend the terms of the Master Lease or enter into new leases, except in the case of the Master Lessee's bankruptcy or insolvency; (vii) make any modifications to the Properties other than minor non-structural modifications, unless required by law; (viii) accept any capital contributions from Owners or other persons (other than pursuant to this Offering); or (ix) take any other action which would cause the Trust to be treated as a business entity for federal income tax purposes.

Rights of the Owners: The sole right of the Owners as holders of Interests will be to receive distributions from the Trust if, as and when made as a result of the operations of the Trust or the Disposition of the Properties. The Owners will have no voting rights, including as to whether or not the Properties are sold. See "The Trust and Summary of the Trust Agreement."

Transferability of Interests: The Interests are nontransferable unless such transfer is made in compliance with any limitations imposed by the Trust and in compliance with applicable securities laws. See "Description of the Interests – Transferability of Interests."

Distributions of Cash from Operations: After payment of management fees, operating expenses and taxes, as determined by the Manager, any net cash flow of the Trust will be distributed to the Owners in proportion to their Interests on a monthly basis. See "Business Plan."

Reports to Owners: The Manager will keep customary and appropriate books and records of account for the Trust at the Manager's principal place of business. See "The Manager." The Manager shall furnish unaudited quarterly investment status updates and annual financial information reports to the Owners. On or before January 31st of each year, the Manager shall provide reports of income and expenses to each Owner as necessary for such Owner to prepare their income tax returns.

The Master Lease

Term: The Master Lease will expire concurrently with the Trust's termination, however, the Manager shall take into consideration the term of the Master Lease guarantee with regards to any valuation pursuant to the exit strategy for the Trust. The Master Lease may be extended pursuant to mutual agreement between the Trust and Master Lessee. In the event that not all or a non-material portion of the Properties are damaged or destroyed by fire or other casualty and it is economically feasible to continue to operate the Properties, then the Owners shall receive the benefit from insurance proceeds from any such casualty and the Master Lease shall continue in full force and effect, however, Master Lessor and Master Lessee shall adjust the Annual Base Rent in an equitable fashion to reflect the economic effect of any such loss of a portion of the Properties. See "The Master Lessee and the Summary of the Master Lease."

Rent: All rent due under the Tenants' leases for periods after the Master Lease is executed will be payable to the Master Lessee rather than the Trust. The Master Lessee will use the rent received from the Tenants' leases to pay to the Trust the Annual Base Rent (as defined in the Master Lease) established in the Master

Lease, which is an amount ranging from \$2,855,290 to \$3,407,963 during the term of the Trust. In the event that not all or a non-material portion of the Properties are taken by eminent domain proceedings or damaged or destroyed by fire or other casualty and it is economically feasible to continue to operate the Properties, then the Owners shall receive the benefit from insurance proceeds from any such casualty and the Master Lease shall continue in full force and effect, however, the Annual Base Rent shall be adjusted in an equitable fashion to reflect the economic effect of any such loss of a portion of the Properties. See “Summary of the Master Lease – Rent.”

Rights and Duties of the Master Lessee; Payment of Expenses:

The Master Lessee has the sole and exclusive right to operate and maintain the Properties. The Master Lease is a “triple net” lease under which the Master Lessee will be responsible for paying all expenses relating to the Properties, without exception, including, but not limited to, operating expenses, taxes, insurance and the cost of non-structural capital improvements. However, the Master Lessee may utilize property reserves to cover capital expenses and capital improvements as well as operating and asset management expenses, including unreimbursed tax and insurance payments, and bank, accounting, tax, and filing fees. The Master Lessee will be responsible at its sole cost to provide the accounting, quarterly and annual reporting to the Trust. The Master Lessee must comply with all governmental statutes, laws, rules, regulations and ordinances affecting the Properties and maintain the entire exterior and interior of the Properties in good condition and repair. See “The Master Lessee and the Summary of the Master Lease.”

The Properties

Description:

The Trust acquired the following portfolio of six Properties located at (i) 1301 East Osceola Parkway, Kissimmee, Florida 34744; (ii) 906 Seton Parkway, Kyle, Texas 78640; (iii) 6105 Airport Boulevard, Mobile, Alabama 36608; (iv) 10300 Cherry Valley Avenue SE, Caledonia, Michigan 49316; (v) 2850 Shorter Avenue NW, Rome, Georgia 30165; and (vi) 4569 SM 52, Stockbridge, Michigan 49285. The Properties are 100% occupied net-leased single-tenant Properties, with the following tenants: three are operating as a BioLife Plasma Services, and three are operating as a Tractor Supply Company. See “Description of the Properties” and “Summary of the Lease.”

Acquisition:

The Trust acquired the Properties during the period commencing October 29, 2025 through the Closing Date, the Trust acquired the Properties for a purchase price of \$44,551,946 from the Sellers. The Properties are owned 100% by the Trust. The Trust will sell beneficial interests in the Properties to the Investors in Interests. The difference between the purchase price for the Properties and the \$52,785,000 Purchase Price for the Interests includes accountable reserves, transaction costs, legal fees, Offering costs, real estate and short-term equity financing costs (some of which are being paid to Affiliates of the Sponsor), acquisition fee to the Sponsor, Selling Commissions (as defined below), due diligence allowances, and related expenses.

An LLC Conversion

The LLC:

If there were to be an event triggering an LLC Conversion, the Trust would be converted into an LLC. See “The Trust and Summary of the Trust Agreement” and “Summary of the Limited Liability Company Agreement.”

Events Triggering an LLC Conversion: The Trust must convert to the LLC upon the Trust Expiration Date (a “**LLC Conversion**”). In connection with the LLC Conversion, the Trust will distribute to the Owners ownership interests in the LLC in exchange for, the Owners’ Interests. This exchange would be on a proportionate basis to their ownership in the Trust, except that the Managing Member, would receive one membership unit of a different class with nominal value in exchange for nominal consideration. There is no assurance that adverse consequences will not occur before the Disposition of the Properties. If the Properties are transferred (or the Trust is converted) to the LLC, the Owners will likely lose their ability to participate in a future Section 1031 Exchange. See “Risk Factors” and “Summary of the Limited Liability Company Agreement.”

Exchange of Interests: In connection with the LLC Conversion, the Trust will distribute all of the Class A Units in the LLC to the Owners in exchange for their Interests in the Trust. This exchange would be on a proportionate basis to their ownership in the Trust, except that the Managing Member would receive one membership unit of a different class with nominal value in exchange for nominal consideration. The rights and obligations of the Owners with respect to each other and the former Trust Estate, including the Properties, will be governed by the LLC Agreement, attached hereto as Exhibit E. After the LLC Conversion is completed, the Owners will no longer own beneficial interests in the Trust but, instead, will own membership interests in the LLC evidenced by the Class A Units. See “Summary of the Limited Liability Company Agreement.”

Business and Purpose of the LLC, if there were to be an LLC Conversion: If there were to be a LLC Conversion, then: (i) the business and purposes of the LLC would be to engage solely in activities related to owning, holding, selling, assigning, transferring, operating, leasing, mortgaging, pledging and otherwise dealing with the Properties and (ii) as a general matter, the ability of the LLC to engage in activities with respect to the Properties would not be subject to the same restrictions and limitations imposed on the Trust, the Trustee, and the Manager by the Trust Agreement. The Manager anticipates that any such LLC conversion could also be completed as part of an exchange roll-up transaction pursuant to Section 721 of the Code (refer to the “Exit Strategy” section of this Memorandum). There is no assurance that these objectives will be met.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

SPONSOR BACKGROUND

ExchangeRight and our affiliates' vertically integrated platform features more than \$6.8 billion in assets under management that are diversified across over 1,400 properties, and 27 million square feet throughout 48 states, as of September 30, 2025. ExchangeRight pursues its passion to empower people to be secure, free, and generous by providing REIT, fund, and 1031 DST portfolios that target secure capital, stable income, and strategic exits, all of which have historically met or exceeded investor projections since ExchangeRight's inception. On behalf of investors nationwide representing over 9,000 investments, the company structures and manages net-leased portfolios of assets backed primarily by investment-grade corporations that have successfully operated in the necessity-based retail and healthcare industries, as well as diversified value-add portfolios of inline and outparcel retail properties adjacent to strong-performing grocery tenants. Past performance does not guarantee future results. The principals of ExchangeRight are Joshua Ungerecht, David Fisher and Warren Thomas (the "**Key Principals**"). See "Organization and Management." ExchangeRight is the sole member of the Manager, the Master Lessee and the Property Manager. In addition, the Master Lease is with an entity that is Affiliated with the Sponsor. Any agreements between the parties are not the result of arm's-length negotiations. See "Conflicts of Interest." ExchangeRight's principal place of business is 1055 E. Colorado Blvd., Suite 310, Pasadena, CA 91106.

BUSINESS PLAN

The Trust's Goals

The Trust expects to provide the Owners a return on their investment in two primary ways: (i) in the form of monthly cash distributions to the Owners; and (ii) upon any Disposition of the Properties. See "Risk Factors – Disposition of the Properties and the Termination of the Trust," "The Trust and Summary of the Trust Agreement" and "The Summary of the Limited Liability Company Agreement."

The Trust plans to begin making cash distributions to the Owners in the month after their respective subscription is accepted and continue these monthly distributions during the term of the Trust. The distributions will come from the Trust's cash from operations, which is to consist solely of the rent paid under the Master Lease. The Trust currently estimates monthly distributions to be in an amount sufficient to provide the following approximate estimated cash flow returns on the Owners' investment:

- (i) 5.15% in year one;
- (ii) 5.19% in year two;
- (iii) 5.22% in year three;
- (iv) 5.25% in year four;
- (v) 5.30% in year five;
- (vi) 5.42% in year six;
- (vii) 5.46% in year seven;
- (viii) 5.49% in year eight;
- (ix) 5.52% in year nine; and
- (x) 5.58% in year 10.

However, there is no assurance that the Trust will be able to meet these distributions or make any cash distributions at all. The manner, amount and timing of any distributions to Owners are dependent on the rent received by the Trust. The targeted exit options are also dependent on the ExchangeRight REIT's capital availability and are not guaranteed. The Trust's objective is to maximize value to Owners through a portfolio aggregation and sale,

transfer, or merger to facilitate a tax-deferred exchange pursuant to Code Section 1031, to exchange their interests for ownership in an operating partnership of a REIT under Section 721 of the Code, cash out (not tax-deferred), or financing and exchanging their Interests for ownership in an operating partnership of a REIT under Section 721 of the Code (refer to the “Exit Strategy” section of this Memorandum). There is no guarantee that the Trust will be successful in its exit strategy. Prior to any Disposition of the Properties by the Trust, the rent paid to the Trust by the Master Lessee is the Trust’s sole source of income and the sole source of funds available to make any monthly cash distributions to the Owners. See “The Master Lessee and Summary of the Master Lease.”

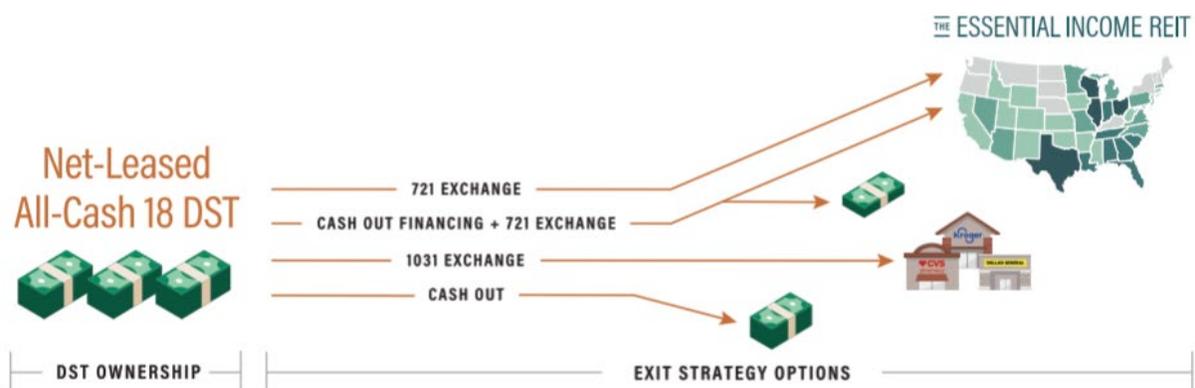
Opportunity for Section 1031 Exchange

We expect that many prospective Investors will seek an investment in the Interests for purposes of completing an exchange of property as contemplated in Code Section 1031, which provides for non-recognition of gain or loss only if property held for use in a trade or business or for investment is exchanged for other like-kind property held for use in a trade or business or for investment. There are numerous requirements contained in the applicable provisions of the Code and Treasury Regulations concerning qualification for gain non-recognition under Code Section 1031. **If you are considering an investment in the Interests for purposes of an exchange designed to comply with Code Section 1031, you should consult with your own tax advisor about this Offering’s tax aspects and your individual situation. No representation or warranty of any kind is made with respect to the treatment of the Interests by the IRS. See “Risk Factors.”**

The use of a Delaware statutory trust (like the Trust) to acquire and hold property for purposes of a Section 1031 Exchange is a relatively new development under United States tax laws. This ownership structure is based primarily on Rev. Rul. 2004-86, which addresses whether a Delaware statutory trust will be treated as an “entity” taxable as a partnership. There are no authorities that directly address the tax treatment of the Trust other than Rev. Rul. 2004-86. It is possible that the IRS could revoke Rev. Rul. 2004-86 or, in the alternative, determine that the Trust does not comply with the requirements of that ruling or the underlying authorities. A determination that the Trust is not taxable as a trust (within the meaning of Treasury Regulation Section 301.7701-4) could have a significant adverse impact on the Owners.

Exit Strategy

The Trust’s exit strategy is intended to capitalize on ExchangeRight’s REIT platform and aggregation strategy by having the REIT platform acquire the DST Interests and targets to provide investors with the option to 1) complete another Section 1031 Exchange, 2) participate in a tax-deferred cash out financing targeting 20% of their total investment value to be distributed as financing proceeds and an exchange of the remaining equity interests under Section 721 of the Code, 3) participate in a tax-deferred exchange of their DST interests for ownership in an operating partnership of a REIT under Section 721 of the Code, 4) take all of their cash out on a non-tax-deferred basis, or 5) any combination of the above options. ExchangeRight’s aggregation strategy is intended to maximize investor value by taking advantage of its aggregated portfolio of \$6.8 billion in assets and providing investors the benefit of enhanced diversification by property, location, tenant, industry, lease term, and debt term.



ExchangeRight's aggregation strategy and the REIT's valuation require affiliated portfolios to be accretive to the REIT prior to being included in the REIT's identified asset pipeline for acquisition. ExchangeRight's aggregation strategy and valuation approach are intended to provide the Trust and its investors with capital preservation, stable income, and access to the REIT's long-term growth potential for investors who are participating in the aggregation strategy via a tax-deferred 721 exchange at exit. The purchase price for the Interests upon exit will be based on the Manager's determination based on available third-party valuation information and considering the Master Lease. The Manager anticipates any such purchase price determination will target a return of capital in addition to the stable income as part of this valuation process and Owners will have no control over the value of any such purchase price or the exit strategy. The Manager will obtain a third-party valuation of the Trust to determine the purchase price if a disposition is being made through an affiliated acquisition and any such disposition would result in less than a full return of the Beneficial Owners' original capital contributions to the Trust. For Trust investors who do not participate in the REIT's broader aggregation strategy and instead choose a 1031 exchange or to cash out at exit, ExchangeRight targets providing capital preservation and stable income throughout the Trust hold period.

While there can be no guarantee that the Sponsor will meet its goal or that a liquidity or exit transaction will take place within ten years, the Sponsor intends to pursue such an exit or liquidity event if we believe that it will be in the best interest of investors and will provide them with enhanced liquidity and capital preservation. The past performance of the Sponsor and any past offerings does not guarantee future results. Investment, exit and liquidity objectives, timing, and results are not guaranteed.

Property Management

The Master Lessee entered into a property management agreement with the Property Manager, which is wholly owned by the Sponsor, for the day-to-day management of the Properties for an annual Property Management Fee of 2.90% of the gross operating income of the Properties (of which 0.40% will be assigned to the Manager as the asset management fee and, thus, the Property Manager will receive a fee of 2.50% of the gross operating income of the Properties); provided, however, the Property Manager may subcontract all or certain portions of the day-to-day management of the Properties with an unrelated, third-party professional management company or companies.

Asset Management

The Property Manager entered into an asset management agreement with the Manager and shall pay the Manager an annual Asset Management Fee of 0.40% of the gross operating income of the Properties during the hold period. In addition, it is anticipated that the Manager will assist in marketing and selling the Properties, and thus, if the Manager provides such services, and if upon a Disposition of the Properties the gross proceeds of any Disposition including the return of any reserves are in excess of \$52,785,000 (in cash or in kind), the Manager will be entitled to receive a fee equal to 2.0% of the gross proceeds of any such Disposition of the Properties pursuant to the Trust Agreement, with such amount to be in addition to any payments to unrelated third-party real estate brokers that the Trust hires to sell the Properties and any payments to buyer's brokers.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

SUMMARY OF THE LEASES

Prospective Investors are strongly encouraged to review the leases in their entirety with their own independent legal counsel before submitting an offer to purchase an Interest. See “RISK FACTORS – Real Estate Risks.” This summary highlights significant, but select and limited, terms of the leases and is not exhaustive and is qualified in its entirety by reference to the full leases, which is made available from the Sponsor upon request.

<u>Properties</u>	<u>Tenant Name</u>	<u>Property Sq. Ft.</u>	<u>Year One Base Rental Revenue*</u>	<u>Original Commencement Date</u>	<u>Lease End</u>	<u>Rent Increases</u>	<u>Renewal Options</u>
Kissimmee (Osceola), FL	BioLife Plasma Services, L.P.	15,175	\$573,564	9/11/19	9/30/34	1% every year of the lease and every year of each option	A total of four 5-year options
Kyle (Seton), TX	BioLife Plasma Services, L.P.	17,027	\$629,374	12/28/17	12/31/33	1% every year of the lease and every year of each option	A total of four 5-year options
Mobile (Airport), AL	BioLife Plasma Services, L.P.	15,170	\$515,502	2/14/20	2/28/35	1% every year of the lease and every year of each option	A total of four 5-year options
Caledonia (Cherry Valley), MI	Tractor Supply Co. of Michigan, LLC	19,016	\$380,160	10/29/25	10/31/40	5% every 5 years of the lease and every 5-year option	A total of four 5-year options
Rome (Shorter), GA	Tractor Supply Company	22,005	\$439,000	4/26/25	4/30/45	5% every 5 years of the lease and every 5-year option	A total of four 5-year options

<u>Properties</u>	<u>Tenant Name</u>	<u>Property Sq. Ft.</u>	<u>Year One Base Rental Revenue*</u>	<u>Original Commencement Date</u>	<u>Lease End</u>	<u>Rent Increases</u>	<u>Renewal Options</u>
Stockbridge (SM 52), MI	Tractor Supply Co. of Michigan, LLC	22,037	\$337,740	10/29/25	10/31/40	5% every 5 years of the lease and every 5-year option	A total of four 5-year options

Total Square Feet 110,430

Total Occupied 110,430 100%

Total Vacant 0 0%

*This Offering is dated October 31, 2025. Year one net operating income is annualized to reflect a full year of operations from each Property for the master lease year ending October 31, 2026.

DESCRIPTION OF THE PROPERTIES

Kissimmee (Osceola), Florida Property

- Property: An approximately 15,175 square foot single-tenant retail building on approximately 3.06 acres located at 1301 East Osceola Parkway, Kissimmee, Florida 34744. The building was constructed in 2019.
- Lease: The Property is currently 100% leased to one tenant, BioLife Plasma Services L.P., a Pennsylvania limited partnership, conducting business as BioLife Plasma Services. This Lease is guaranteed by Baxalta Incorporated, a Delaware corporation, which is a wholly-owned subsidiary of Takeda Pharmaceutical Co. Ltd. This entity has a long-term credit rating of “BBB+” by S&P. This is a triple net (“NNN”) lease.
- Seller: On the Closing Date, the Property was purchased by the Trust for \$8,885,070 from an unaffiliated third party.
- Appraisal: On October 30, 2025, an appraisal was prepared by National Valuation Consultants, Inc. (“NVC”) for a third party unaffiliated with the Trust or the Sponsor, which appraisal indicated that the Property had an estimated market value “As Is” of \$9,200,000. The appraisal was prepared solely for such third party and its Affiliates and may not be relied upon by the Trust or the Owners and, thus, Owners must rely solely on the other information provided in this Memorandum and their own due diligence in determining a valuation of the Properties.
- Environmental: On October 13, 2025, a Phase I was prepared by Partner Engineering and Science, Inc. (“Partner”) for ExchangeRight, which Phase I may be relied upon by the Trust and the Owners. The Phase I indicated that there were no hazardous or toxic substances identified, present or being improperly generated, used, stored or disposed of at the Property. The Phase I included materials defined under the Resource Conservation and Recovery Act (“RCRA”). The Phase I concluded that at the time of the Phase I, there were no recognized environmental conditions identified in connection with the Property. Partner had no recommendations for further investigations. See “RISK FACTORS – Environmental Liability.”
- Zoning: MUPUD Mixed Use Planned Unit Development District.

[DESCRIPTION OF THE PROPERTIES CONTINUED ON THE NEXT PAGE]

Kyle (Seton), Texas Property

- Property: An approximately 17,027 square foot single-tenant retail building on approximately 2.67 acres located at 906 Seton Parkway, Kyle, Texas 78640. The building was constructed in 2017.
- Lease: The Property is currently 100% leased to one tenant, BioLife Plasma Services L.P., a Pennsylvania limited partnership, conducting business as BioLife Plasma Services. This Lease is guaranteed by Baxalta Incorporated, a Delaware corporation, which is a wholly-owned subsidiary of Takeda Pharmaceutical Co. Ltd. This entity has a long-term credit rating of “BBB+” by S&P. This is a NNN lease.
- Seller: On the Closing Date, the Property was purchased by the Trust for \$9,383,600 from an unaffiliated third party.
- Appraisal: On October 31, 2025, an appraisal was prepared by NVC for a third party unaffiliated with the Trust or the Sponsor, which appraisal indicated that the Property had an estimated market value “As Is” of \$9,400,000. The appraisal was prepared solely for such third party and its Affiliates and may not be relied upon by the Trust or the Owners and, thus, Owners must rely solely on the other information provided in this Memorandum and their own due diligence in determining a valuation of the Properties.
- Environmental: On October 6, 2025, a Phase I was prepared by Partner for ExchangeRight, which Phase I may be relied upon by the Trust and the Owners. The Phase I indicated that there were no hazardous or toxic substances identified, present or being improperly generated, used, stored or disposed of at the Property. The Phase I included materials defined under the RCRA. The Phase I concluded that at the time of the Phase I, there were no recognized environmental conditions identified in connection with the Property. Partner had no recommendations for further investigations. See “RISK FACTORS – Environmental Liability.”
- Zoning: RS Retail & Service District.

[DESCRIPTION OF THE PROPERTIES CONTINUED ON THE NEXT PAGE]

Mobile (Airport), Alabama Property

- Property: An approximately 15,170 square foot single-tenant retail building on approximately 2.94 acres located at 6105 Airport Boulevard, Mobile, Alabama 36608. The building was constructed in 2020.
- Lease: The Property is currently 100% leased to one tenant, BioLife Plasma Services L.P., a Pennsylvania limited partnership, conducting business as BioLife Plasma Services. This Lease is guaranteed by Baxalta Incorporated, a Delaware corporation, which is a wholly-owned subsidiary of Takeda Pharmaceutical Co. Ltd. This entity has a long-term credit rating of “BBB+” by S&P. This is a NNN lease.
- Seller: On the Closing Date, the Property was purchased by the Trust for \$8,126,847 from an unaffiliated third party.
- Appraisal: On October 30, 2025, an appraisal was prepared by NVC for a third party unaffiliated with the Trust or the Sponsor, which appraisal indicated that the Property had an estimated market value “As Is” of \$8,200,000. The appraisal was prepared solely for such third party and its Affiliates and may not be relied upon by the Trust or the Owners and, thus, Owners must rely solely on the other information provided in this Memorandum and their own due diligence in determining a valuation of the Properties.
- Environmental: On October 6, 2025, a Phase I was prepared by Partner for ExchangeRight, which Phase I may be relied upon by the Trust and the Owners. The Phase I indicated that there were no hazardous or toxic substances identified, present or being improperly generated, used, stored or disposed of at the Property. The Phase I included materials defined under the RCRA. The Phase I concluded that at the time of the Phase I, there were no recognized environmental conditions identified in connection with the Property. Partner had no recommendations for further investigations. See “RISK FACTORS – Environmental Liability.”
- Zoning: LB-2 Limited Neighborhood Business District.

[DESCRIPTION OF THE PROPERTIES CONTINUED ON THE NEXT PAGE]

Caledonia (Cherry Valley), Michigan Property

- Property: An approximately 19,016 square foot single-tenant retail building on approximately 5.28 acres located at 10300 Cherry Valley Avenue SE, Caledonia, Michigan 49316. The building was constructed in 2024.
- Lease: The Property is currently 100% leased to one tenant, Tractor Supply Co. of Michigan, LLC, a Michigan limited liability company conducting business as Tractor Supply Company. The lease is guaranteed by Tractor Supply Company, a Delaware corporation, which has a long-term credit rating of “BBB” by S&P. This is a double net (“NN”) lease.
- Seller: On October 29, 2025, the Property was purchased by the Trust for \$5,948,071 from an unaffiliated third party.
- Appraisal: On October 28, 2025, an appraisal was prepared by NVC for a third party unaffiliated with the Trust or the Sponsor, which appraisal indicated that the Property had an estimated market value “As Is” of \$6,000,000. The appraisal was prepared solely for such third party and its Affiliates and may not be relied upon by the Trust or the Owners and, thus, Owners must rely solely on the other information provided in this Memorandum and their own due diligence in determining a valuation of the Properties.
- Environmental: On July 29, 2025, a Phase I was prepared by Partner for ExchangeRight, which Phase I may be relied upon by the Trust and the Owners. The Phase I indicated that there were no hazardous or toxic substances identified, present or being improperly generated, used, stored or disposed of at the Property. The Phase I included materials defined under the RCRA. The Phase I concluded that at the time of the Phase I, there were no recognized environmental conditions identified in connection with the Property. Partner had no recommendations for further investigations. See “RISK FACTORS – Environmental Liability.”
- Zoning: C-2 within a PUD General Business within South Point Park Planned Unit Development

[DESCRIPTION OF THE PROPERTIES CONTINUED ON THE NEXT PAGE]

Rome (Shorter), Georgia Property

- Property:** An approximately 22,005 square foot single-tenant retail building on approximately 5.03 acres located at 2850 Shorter Avenue NW, Rome, Georgia 30165. The building was constructed in 2025.
- Lease:** The Property is currently 100% leased to one tenant, Tractor Supply Company, a Delaware limited liability company, conducting business as Tractor Supply Company, which has a long-term credit rating of “BBB” by S&P. This is a NN lease.
- Seller:** On October 29, 2025, the Property was purchased by the Trust for \$6,924,000 from an unaffiliated third party.
- Appraisal:** On October 27, 2025, an appraisal was prepared by Partners Valuation Advisory (“**Partners**”) for a third party unaffiliated with the Trust or the Sponsor, which appraisal indicated that the Property had an estimated market value “As Is” of \$6,950,000. The appraisal was prepared solely for such third party and its Affiliates and may not be relied upon by the Trust or the Owners and, thus, Owners must rely solely on the other information provided in this Memorandum and their own due diligence in determining a valuation of the Properties.
- Environmental:** On October 15, 2025, a Phase I was prepared by Partner for ExchangeRight, which Phase I may be relied upon by the Trust and the Owners. The Phase I indicated that there were no hazardous or toxic substances identified, present or being improperly generated, used, stored or disposed of at the Property. The Phase I included materials defined under the RCRA. The Phase I concluded that at the time of the Phase I, there were no recognized environmental conditions identified in connection with the Property. Partner had no recommendations for further investigations. See “RISK FACTORS – Environmental Liability.”
- Zoning:** C-C for Community Commercial.

[DESCRIPTION OF THE PROPERTIES CONTINUED ON THE NEXT PAGE]

Stockbridge (SM 52), Michigan Property

- Property: An approximately 22,037 square foot single-tenant retail building on approximately 4.19 acres located at 4569 SM 52, Stockbridge, Michigan 49285. The building was constructed in 2024.
- Lease: The Property is currently 100% leased to one tenant, Tractor Supply Co. of Michigan, LLC, a Michigan limited liability company conducting business as Tractor Supply Company. The lease is guaranteed by Tractor Supply Company, a Delaware corporation, which has a long-term credit rating of “BBB” by S&P. This is a NN lease.
- Seller: On October 29, 2025, the Property was purchased by the Trust for \$5,284,358 from an unaffiliated third party.
- Appraisal: On October 28, 2025, an appraisal was prepared by NVC for a third party unaffiliated with the Trust or the Sponsor, which appraisal indicated that the Property had an estimated market value “As Is” of \$5,300,000. The appraisal was prepared solely for such third party and its Affiliates and may not be relied upon by the Trust or the Owners and, thus, Owners must rely solely on the other information provided in this Memorandum and their own due diligence in determining a valuation of the Properties.
- Environmental: On July 29, 2025, a Phase I was prepared by Partner for ExchangeRight, which Phase I may be relied upon by the Trust and the Owners. The Phase I indicated that there were no hazardous or toxic substances identified, present or being improperly generated, used, stored or disposed of at the Property. The Phase I included materials defined under the RCRA. The Phase I concluded that at the time of the Phase I, there were no recognized environmental conditions identified in connection with the Property. Partner had no recommendations for further investigations. See “RISK FACTORS – Environmental Liability.”
- Zoning: C-3 Highway Commercial.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

ESTIMATED USE OF PROCEEDS

The following table sets forth the estimated sources and uses of the Offering Proceeds. The table reflects the present intentions of the Sponsor and an unforeseen change of circumstances may require the Sponsor to modify the information set forth below. The Sponsor and its Affiliates will receive substantial compensation and fees in connection with the Offering and the Properties, as described in this Memorandum. The amounts listed below are estimates by the Sponsor. See “COMPENSATION OF THE SPONSOR, THE MANAGER AND AFFILIATES.”

<u>Source of Funds</u>	<u>Amount</u>	<u>% of Total Sources</u>
Total Owner Equity	\$52,785,000	100.00%
Total Sources	\$52,785,000	100.00%
<u>Use of Funds</u>	<u>Amount</u>	<u>% of Total Sources</u>
<i>Costs of Acquisition</i>		
Total Acquisition Cost ⁽¹⁾	\$47,026,097	89.09%
Acquisition Fee ⁽²⁾	\$1,113,901	2.11%
Reallowance of Acquisition Fee ⁽³⁾	\$131,963	0.25%
Reserves for Operations and Asset Management ⁽⁴⁾	\$779,659	1.48%
Total Acquisition Related Costs	\$49,051,620	92.93%
<i>Selling Commissions and Expenses</i>		
Selling Commissions and Broker-Dealer's Marketing and Due Diligence Allowance ⁽⁵⁾	\$3,299,063	6.25%
Syndication Costs ⁽⁶⁾	\$90,000	0.17%
Third Party Due Diligence Reports ⁽⁷⁾	\$54,000	0.10%
Organizational & Offering Costs ⁽⁸⁾	\$158,355	0.30%
Marketing, Distribution, and Sponsorship Cost ⁽⁹⁾	\$131,963	0.25%
Total Selling Commissions and Expenses	\$3,733,380	7.07%
Total Uses	\$52,785,000	100.00%

Notes:

- (1) In purchasing the Properties and creating this Offering, the Sponsor utilized its own equity and equity raised from third parties through entities affiliated with the Sponsor as well as equity financing arrangements. As proceeds are raised through the sale of Interests, all of this equity and equity financing arrangements will be repaid. Repayment of this amount shall be made from distributions and redemption proceeds associated with the Class 2 Interests. Repayment is not an obligation of the Trust or secured by the Properties.

The acquisition of the Properties resulted in \$2,474,151 of net non-accountable acquisition related costs. The gross acquisition costs are made up of the following fees and expenses:

- \$330,000 of net closing costs associated with the acquisition of the Properties and previously paid by the Sponsor, which include escrow fees, title fees, attorneys' fees, prorations, and document preparation fees. The Sponsor will be responsible for any such fees in excess of these sums and will be entitled to retain any unused funds on a nonaccountable basis.
- \$1,484,151 in equity financing costs payable to third parties and Affiliates of the Sponsor in connection with various equity and financing agreements associated with acquiring the Properties. Repayment is not an obligation of the Trust or secured by the Properties. Repayment is not an

obligation of the Trust or secured by the Properties, which includes \$89,104 which will be used to reimburse the Sponsor on a nonaccountable basis for finance and acquisition fees associated with the line of credit issued to the Sponsor by Ameris Bank.

- \$300,000 in Appraisal, Phase 1 and Due Diligence expenses paid to third parties.
 - \$330,000 to reimburse the Sponsor on a nonaccountable basis for legal fees for real estate matters (leases, contracts, title/survey, due diligence, etc.), including the legal fees for local counsel required for closings with respect to the acquisition of the Properties.
 - \$30,000 in fees associated with the establishment of single purpose entities for the acquisition of the Properties.
- (2) These funds will be used by the Trust to redeem 100% of the Sponsor's Class 2 interests on a proportionate basis. One Class 2 beneficial ownership interest will be redeemed in part for \$11,139.01 for each Class 1 beneficial ownership interest sold.
- (3) Up to a maximum of \$131,963 (0.25%) of the gross proceeds of the Offering of Interests may be paid to ExchangeRight Securities, LLC, a FINRA member Broker-Dealer and Managing Broker-Dealer of the Offering ("**ERS**"), an Affiliate of the Trust and Sponsor to oversee the wholesaling activities of ExchangeRight's Senior Vice Presidents of Sales, National Account Director, and President of Strategic Relations to the extent that these activities involve direct interaction with retail investors; provided, however, any such fees that are not paid to ERS will be retained by the Sponsor on a nonaccountable basis. Such funds may be reallocated pro-rata based on the redemption of the Class 2 beneficial ownership interests. Up to \$1,319.63 may be reallocated for each Class 1 beneficial ownership interest sold.
- (4) This amount will be retained by the Trust on an accountable basis as a reserve to be used for future repairs and replacements at the Properties and operational and asset management costs incurred in the course of managing the Properties and the portfolio, including tax and insurance prepaids and reserves, unreimbursed tax and insurance payments, and bank, accounting, tax, and filing fees incurred by Master Lessee on behalf of the Trust.
- (5) Offers and sales of Interests will be made on a "best efforts" basis by broker-dealers ("**Broker-Dealers**") who are members of Financial Industry Regulatory Authority ("**FINRA**"). The following fees will be paid from the proceeds of the Offering (the "**Offering Proceeds**") in connection with the marketing and syndication of the Interests: (i) Selling Commissions of up to \$2,639,250 (5%) of the Offering Proceeds ("**Selling Commissions**") to the Broker-Dealers; (ii) a nonaccountable marketing and due diligence allowance of up to \$527,850 (1%) of the Offering Proceeds to the Broker-Dealers; and (iii) \$131,963 (0.25%) of the Offering Proceeds to ERS (collectively, the "**Selling Commissions and Expenses**"). The aggregate amount of the Selling Commissions and Expenses will not exceed 6.25% of the Maximum Offering Amount; provided, however, the Sponsor may pay higher marketing and due diligence allowances for certain Broker-Dealers, which Broker-Dealers would accept reduced Selling Commissions on a pro rata basis. The Sponsor will be responsible for any Selling Commissions and Expenses in excess of these sums and will be entitled to retain any unused funds on a nonaccountable basis. The Sponsor may pay reduced Selling Commissions and Expenses or waive such sums with respect to Interests purchased by Affiliates and other persons. See "Plan of Distribution." All subscriptions of Interests must be made through a Broker-Dealer. In the event an Investor independently uses the services of a registered investment advisor ("**RIA**") and not a Broker-Dealer in connection with the purchase of Interests, no Selling Commissions will be payable to the RIA with respect to its purchase of such Interests, which will have the effect of increasing the amount of Interests purchased by such Investor (but not including any amounts due to the Broker-Dealer of record and the 0.25% Selling Commission due to ERS). If an RIA does not have another broker-dealer or other financial intermediary, then ERS may be deemed to act as your broker of record in connection with any investment in the Trust. ERS has entered into a soliciting dealer agreement with the Trust and is eligible to receive 0.50% of the Offering Proceeds in its role as Broker-Dealer of record. The proceeds to the Trust per Interest will not be affected by this waiver of Selling Commissions. In addition, the Sponsor may pay certain referral or placement agents up to 0.85% of the Offering Proceeds for services provided with regards to the Offering, which will be paid by the Sponsor and will not be reimbursed by the Trust or paid out of offering proceeds.

- (6) This \$90,000 will be made up of the following fees and expenses:
- \$25,000 for preparation of the PPM and Offering document paid to third parties.
 - \$30,000 for blue sky securities filing fees in connection with the Offering paid to third parties.
 - \$35,000 for preparation of the Tax Opinion paid to third parties.
- (7) The Sponsor will be reimbursed on a nonaccountable basis for expenses incurred in connection with the Offering for third party due diligence costs. These costs include fees for review of the Offering to due diligence firms. In addition, these fees include site visit, inspection, and other review and diligence costs incurred as part of the acquisition of the properties. As part of this diligence, Sponsor has incurred costs including, but not limited to, sales reports, subscriptions for market research data, and demographic reports.
- (8) The Sponsor will be reimbursed on a nonaccountable basis for expenses incurred in connection with the Offering and the organization of the Trust, including, but not limited to, single purpose entity formation, legal and accounting fees, marketing expenses, and other costs and expenses directly related to the Offering and organization of the Trust, all of which are being initially paid by the Sponsor. The Sponsor anticipates that the expenses incurred in connection with the Offering and the organization of the Trust will not be greater than \$158,355 (0.30% of the Maximum Offering Amount). The Sponsor will be responsible for any such fees in excess of these sums and will be entitled to retain any unused funds on a nonaccountable basis.
- (9) This \$131,963 will be paid to the Sponsor to reimburse the Sponsor for accounting fees, due diligence expenses, marketing, distribution, and sponsorship costs with respect to the Offering.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

RISK FACTORS

An investment in the Interests is highly speculative and involves a high degree of risk. Interests should not be purchased by any person who cannot afford the loss of its entire investment. You should carefully consider the risks described below, especially tax risks, as well as the other information in this Memorandum, when evaluating whether to make an investment in the Interests. The risks described below are not the only risks associated with an investment in the Interests. You should also consult with your own legal, tax and financial advisors about an investment in the Interests. If any of the following risks actually occur, the Trust's business, financial condition and results of operation could be materially and adversely affected and you could lose all or part of your investment.

You and your advisors are invited to ask questions and to request information about the terms and conditions of this Offering for the purpose of evaluating the merits and risks of an investment in the Interests. The Trust will provide such information to the extent it possesses the information or can acquire it without unreasonable effort or expense. See "Access to Information."

Legal Counsel to ExchangeRight, the Trust and Their Affiliates Does Not Represent the Owners. Each Owner must acknowledge and agree in the Purchase Agreement that legal counsel, including Venable LLP as Tax Counsel, Fidazzo Cohen, Barnes & Thornburg, and Belice, Inc. ("**Counsel**"), represents ExchangeRight, the Trust, the Manager, the Property Manager, the Master Lessee and their Affiliates and does not represent, and shall not be deemed under the applicable codes of professional responsibility, to have represented or to be representing, any or all of the Owners.

Real Estate Risks

Increasing Interest Rates and Inflation. Although interest rates have risen recently, based on historical interest rates, current interest rates remain low. However, prevailing interest rates may continue to increase, which would have a negative impact on property values. Due to the current uncertain economic conditions following COVID-19 and global political instability, as set forth in more detail below, we are uncertain as to the state of the debt markets and corresponding interest rates. There can be no guarantee that the Trust will be successful in any future financing event in conjunction with its exit strategy.

General Risks of Investment in Real Estate. The economic success of an investment in the Trust will depend upon the results of operations of the Properties and compliance by the Tenants and Master Lessee with the terms of their leases, which will be subject to risks typically associated with investments in real estate. Fluctuations in vacancy, operating expenses and tax rates can adversely affect operating results or render the Disposition of the Properties difficult or unattractive and cause an inability to achieve a reasonable return. No assurance can be given as to the future occupancy of the Properties or the accuracy of the Trust's assumption of the future costs of operating the Properties since such matters will depend on events and factors beyond the Trust's control. These factors include, among others:

- changes in national, regional or local economic conditions, which could negatively impact a Tenant's ability to pay rent in a timely fashion or at all;
- changes in local market conditions or characteristics, including new construction of single-tenant retail buildings that compete with the Properties;
- changes in interest rates and in the availability, costs and terms of borrowings, which may make the Disposition or financing of the Properties difficult;
- changes in federal, state or local regulations and controls affecting rents, prices of goods, fuel and energy consumption, environmental restrictions, real estate taxes, zoning and other factors affecting real property;
- continued validity and enforceability of the Tenants' leases;
- the financial condition of the Tenants;

- the ongoing need for capital improvements;
- changes in operating costs such as utilities; and
- acts of nature, such as earthquakes, tornadoes and floods.

The occurrence of any one or more of these events could materially affect the Properties and the Tenants' revenues. Any reduced income could lead to the Tenants' failure to pay rent to the Master Lessee. The assets of the Master Lessee are limited and if the Tenants fail to pay rent when due with respect to the Properties it is possible (even likely) that the Master Lessee will default on its obligations to the Trust under the Master Lease.

Environmental Liability. Federal, state and local laws may impose liability on a property owner for releases or the otherwise improper presence on the premises of hazardous substances without regard to fault or knowledge of the presence of such substances. A property owner may be held liable for environmental releases of such substances that occurred before it acquired title and that are not discovered until after it sells the property. If any hazardous substances are found at any time on the Properties, the Owners may be held jointly and severally liable for all cleanup costs, fines, penalties and other costs regardless of whether they owned their Interests when the releases occurred or the hazardous substances were discovered. Under one such law, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), a purchaser of property may qualify for certain defenses to and exemptions from liability under CERCLA by obtaining a new or updated Phase I Environmental Site Assessment that qualifies as an "All Appropriate Inquiry" under CERCLA within 180 days before acquiring the property. Partner has previously issued Phase I Environmental Site Assessments on the Properties in accordance with ASTM E1527-13 (individually a "Phase I" or collectively, the "Phase I Assessments") on behalf of ExchangeRight, copies of which are available from the Manager upon request. See "Description of the Properties" below for a summary of each of the Phase I Assessments. A Phase I does not involve any invasive testing and was limited to a physical walk through or inspection of the Properties and a review of the related governmental records. Consequently, there are no assurances that any additional environmental problems with the Properties would be exposed by new Phase I Assessments.

In the Properties Purchase Agreements, the Sellers represented to the Trust that, to the Sellers' knowledge, other than what was disclosed in the due diligence materials, the Properties do not contain and there has been no application, use, treatment, production, generation, discharge, disposal, release or storage on, from or onto the Properties, or any lot or property adjacent thereto, of any hazardous material. The Trust will make no representations in the Purchase Agreement with respect to any environmental matters related to the Properties and has not agreed to indemnify the Owners for any environmental liabilities. The enforcement of such rights by any party is, however, subject to limitations thereon, including collectability and survival. If losses arise from hazardous substance contamination that cannot be recovered from a responsible party, the financial viability of the Properties may be substantially affected. In extreme cases, the Properties may be rendered worthless.

Unfavorable Changes in Market and Economic Conditions Could Hurt Commercial Property Occupancy or Rental Rates. The demand, price and rents for single-tenant properties where the Properties are located have historically been positively and negatively affected by the location's economic performance, any decrease in such could adversely affect the market for the Properties.

The Sponsor's Exit Strategies may not be Available or Successful. Although potential exit strategies include capitalizing on ExchangeRight's REIT platform and aggregation strategy, such proposed exit strategies may not be successful and markets at the time may not allow the Sponsor or any individual investor in a portfolio to achieve the best returns and each portfolio, including this portfolio, could remain illiquid longer than anticipated. The targeted exit options of providing a future Section 1031 Exchange or cash out are also dependent on the ExchangeRight REIT's capital availability and are not guaranteed. Since there can be no assurance that any such roll-up transaction will be available or successful, the Trust may not be able to dispose of the Properties as contemplated under the Trust Agreement due to unfavorable economic or other conditions, all of which could adversely affect returns to the Owners.

Natural Disasters. The Properties are located in a state that is particularly susceptible to various natural disasters including, without limitation, windstorms, floods, tornadoes and other natural disasters indigenous to such state. In general, any natural disasters affecting the Properties could affect the Tenants and the ability and incentive

of the Tenants to make timely rental payments. Accordingly, the rates of delinquencies and defaults on the leases at the Properties could be greater than with a pool of properties involving different geographic diversification. The Trust does not intend to procure flood or earthquake insurance for all of the Properties.

Losses from Natural Catastrophes May Exceed Insurance Coverage. The Master Lessee is obligated under the Master Lease to carry for the benefit of the Trust the types and amounts of insurance customarily obtained on retail properties where the Properties are located. However, some losses, generally of a catastrophic nature, such as losses from earthquakes, floods, hurricanes, tornadoes or other meteorological and atmospheric conditions, may be subject to policy limitations or not covered at all. If there is a substantial loss, this insurance coverage may not be sufficient to pay the full current market value or current replacement value of the Properties. Inflation, changes in building codes and ordinances, environmental considerations and other factors also might make it infeasible to use insurance proceeds to replace the Properties after they have been damaged or destroyed.

Potential Liability for Environmental or Toxic Mold Contamination Could Result in Substantial Costs. Under various federal, state and local laws, ordinances and regulations, the Trust could be liable for the costs to investigate and remove or remediate hazardous or toxic substances on or in the Properties, often regardless of whether the Trust and/or the Owners knew of, or were responsible for, the presence of these substances. These costs may be substantial. If hazardous or toxic substances are present on the Properties or if the Trust fails to properly remediate such substances, the Trust's ability to sell or rent the Properties or to borrow or establish credit using the Properties as collateral may be adversely affected. There has also been litigation about indoor exposure to certain types of toxic molds that has been increasing as the public becomes aware that such exposure can cause a variety of health effects and symptoms, including allergic reactions. Toxic molds can be found almost anywhere and can grow on virtually any organic substance, as long as moisture and oxygen are present. There are molds that can grow on wood, paper, carpet, foods and insulation. When excessive moisture accumulates in buildings or on building materials, mold growth will often occur, particularly if the moisture problem remains undiscovered or unaddressed. It is impossible to eliminate all mold and mold spores in the indoor environment. The difficulty in discovering indoor toxic-mold growth could lead to an increased risk of lawsuits by affected persons and the risk that the cost to remediate toxic mold will exceed the value of the Properties. Further, there are currently attempts to exclude damage caused by toxic mold growth from certain liability provisions in insurance policies, so there is no guarantee that insurance coverage for toxic mold will be available now or in the future.

Uninsured Losses. The Master Lessee is obligated to maintain insurance coverage against liability for personal injury and property damage. There is no guarantee that the insurance obtained will be sufficient to cover any liabilities. Furthermore, insurance against certain risks, such as earthquakes and/or floods, may be unavailable or may only be available at commercially unreasonable rates or in amounts that are less than the full market value or replacement cost of the Properties. The Manager will not be obtaining flood or earthquake insurance for all of the Properties. In addition, there can be no assurance that particular risks that are currently insurable will continue to be insurable on an economical basis or that current levels of coverage will continue to be available. If a loss occurs that is partially or completely uninsured, the Owners may lose all or a part of their investment in the Interests. In addition, the Manager may carry Errors and Omissions insurance and/or directors and Officers insurance, which would provide coverage for the Trust. While insurance may help reduce the risk of loss, it increases costs and thus lowers the potential return to the Owners.

No Guaranteed Cash Flow. There can be no assurance that cash flow or profits will be generated by the Properties, which may affect the ability of the Master Lessee to pay rent due under the Master Lease. If the Master Lease is terminated for any reason, the Properties will have to be sold or transferred to the LLC and a lack of cash flow or profits will have an adverse impact on the return to the Owners.

Competition. Numerous other retail properties comparable to those of the Properties are located within the vicinity of the Properties. These competitive properties may reduce demand for the leasable space of the Properties. It is possible that a Tenants will move to existing or new retail facilities in the surrounding area, which could adversely affect the financial performance of the Properties. Competition from nearby properties could make it more difficult to attract new tenants. The Properties also will experience competition for real property investments from individuals, corporations and other entities engaged in real estate investment activities if and when the Trust attempts to sell the Properties. Other property and real estate investments may be more attractive than the Properties.

Purchase Price for Interests in Excess of Appraised Value. The \$52,785,000 aggregate purchase price for the Interests (including the down payment for the purchase of the Properties and commissions, costs, fees and expenses relating to the acquisition of the Properties (including fees to Affiliates of the Sponsor) and this Offering) is in excess of the appraised value of the Properties of \$45,050,000 which appraised value was determined by appraisals obtained by third parties unaffiliated with the Trust or the Sponsor and which cannot be relied upon by the Owners or the Trust. As a result, if the Trust were to sell the Properties, it is possible that the proceeds would be significantly lower than the Owners' investment. The Properties will need to appreciate in value to return an Owner's investment upon resale. No assurance can be given that the Properties will appreciate in value over the life of an investment in the Interests. **Each prospective Investor must consult with their own legal, tax and business advisors concerning the validity and reasonableness of investing in an Interest.**

Real Estate Investments are Illiquid. Real estate property generally cannot be sold quickly. The Trust may not be able to dispose of the Properties as required under the Trust Agreement due to unfavorable economic or other conditions. In addition, provisions in the Trust Agreement severely limit situations in which the Manager is permitted to sell the Properties, which could adversely affect returns to the Owners. See "Risk Factors – Rigid and Inflexible Sale Requirements for the Properties; No Guaranteed Return."

Easements. Various utility and other easements in favor of third parties exist on the Properties. These easements provide encumbrances against the Properties. Although the Manager does not believe the easements will inhibit the Trust's ability to meet its obligations, no assurance of this can be provided.

Risks Relating to Title. The Properties will be subject to various matters affecting title. Such matters will be set forth on title commitments and surveys that will be obtained by the Sponsor as part of its due diligence before it acquires the Properties. The Manager will make the title commitments and surveys available to Owners upon request. Although the Trust will receive owner's title insurance policies insuring its interest in the Properties, there is no guarantee that the title insurance will cover all title issues affecting the Properties, that the title company will pay any claim, that the title insurance will be sufficient to cover any damages, or that the Trust will not incur costs in making a title insurance claim. If an uninsured title issue arose or if the title company refused to pay any claim, the return to the Owners might be reduced and, in an extreme case, the value of the Properties might be substantially lowered.

Energy Shortages and Allocations. There may be shortages or increased costs of fuel, natural gas or electric power or allocations thereof by suppliers or governmental regulatory bodies in the area where the Properties are located. It is not possible to predict the extent, if any, to which such shortages, increased prices or allocations will occur or the degree to which such events might influence the Tenants. Any shortages or increased costs of energy that materially adversely affect the Tenants may affect the ability of the Tenants to pay rent, which may result in the Master Lessee not being able to pay rent to the Trust.

Limited Representations and Warranties. The Trust acquired the Properties with only limited representations and warranties from the Sellers regarding the Properties. Further, these representations and warranties will only survive the close of the Properties' escrow with the Trust for a limited period of time. As a result, if defects in the Properties or other matters adversely affecting the Properties are discovered, the Trust may not be able to pursue a claim for damages against Sellers. The extent of damages that the Trust may incur as a result of such matters cannot be predicted, but potentially could have a significant adverse effect on the value of the Properties and the return to the Owners.

Compliance with The Americans with Disabilities Act of 1990. The Properties will be required to comply with the Americans with Disabilities Act of 1990 (the "ADA"), which compliance is the responsibility of the Master Lessee. The ADA generally requires that buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers, and non-compliance could result in the imposition of fines by the U.S. government or an award of damages to private litigants, or both. Expenditures related to compliance with the provisions of the ADA could adversely affect the Master Lessee's results of operations and financial condition and its ability to pay rent to the Trust.

Terrorist attacks and other acts of violence or war may adversely impact operating results. Terrorist attacks against the United States, or United States interests generally, may negatively affect the Trust's operations and its ability to make distributions to the Owners. Attacks or armed conflicts could have a direct adverse impact on the Properties and operations through damage, destruction, loss or increased security costs. Any terrorism insurance that the Trust obtains may be insufficient to cover the loss for damages to the Properties as a result of terrorist attacks. Furthermore, any terrorist attacks or armed conflicts could result in increased volatility in or damage to the United States and worldwide financial markets and economy. Adverse economic conditions could affect the ability of the Tenants to pay rent, which could cause the Master Lessee to default on its obligations under the Master Lease.

Uncertain Economic Conditions. Previous to the COVID-19 pandemic, there had been a recovery in the real estate sector, all of which could now be lost, including, but not limited to, increases in interest rates, market volatility and inflation and, thus, it is unclear how stable the real estate markets currently are or will be as the government pulls back from its unprecedented participation in the bond market to previously keep interest rates low. As a result, there can be no assurance that the Properties will achieve anticipated cash flow levels. Further, recent world events evolving out of COVID-19 have created significant uncertainty concerning security and the stability of world and United States economies. Any negative change in the general economic conditions in the United States could adversely affect the financial condition and operating results of the Property. In addition, the Properties' revenues and operating results may be affected by uncertain or changing economic and market conditions. If global economic and market conditions, or economic conditions in the United States or other key markets, remain uncertain or persist, spread, or deteriorate further, the Tenants may experience material impacts in their financial condition, which may affect the Properties' operating results.

Condemnation of the Land. The Properties, or a portion of the Properties, could become subject to an eminent domain action by government or regulatory authorities. Such an action could have a material adverse effect on the marketability of the Properties or the amount of return on investment for the Owners or result in a premature Disposition of the Properties.

Mechanics' Liens. Any person who supplies services or materials to a real estate project may have a lien against the project securing any amounts owed to such person under state law. Therefore, even if a subcontractor is paid its contract fees, if that subcontractor fails to pay its subcontractors or the materials supplier, then the subcontractor and materials supplier who were not paid will have mechanics' lien rights against the Properties. Although the Master Lessee intends to use procedures to prevent the occurrence of mechanics' liens, no assurance can be given that mechanic liens will not appear against the Properties. If a mechanics' lien does appear, the Manager must negotiate to obtain its release or the person holding such lien will have the right to bring an action to foreclose on the Properties to satisfy amounts due under the lien.

Regulatory Matters. Future changes in land use and environmental laws and regulations, whether federal, state or local, may impose new restrictions on the development, construction or Disposition of the Properties. The ability of the Trust to sell the Properties or to operate the Properties as currently intended may be adversely affected by such regulations.

Trust Structure and Operating Risks

The Trust is an Inflexible Ownership Mechanism. Prospective Investors should be aware that the Trust is an extremely inflexible means to own real property. After the Memorandum Date, as a passive owner of the Properties, the Trust will not be involved in the active management of the Properties. The Trust lacks the ability to change its course of action due to circumstances beyond its control. If adverse circumstances arise for any reason, even with respect to only one of the six Properties, the Trust cannot renegotiate the Master Lease or any sublease with any of the Tenants, obtain additional capital or sell the Properties (except as provided in the Trust Agreement), invest any cash held by the Trust (including reserves) in anything other than U.S. Treasury obligations or deposits in federally-insured institutions, or accept additional contributions from any person, including any Owner. Therefore, the occurrence of adverse circumstances for any reason, even with respect to only one of the six Properties, could trigger an LLC Conversion. See "Business Plan – The Trust's Conversion to the LLC" discussion below. The Trust shall have perpetual existence and shall be dissolved and wound up in accordance with Section 3808 of the Delaware Statutory Trust Act and its Trust Termination Date, which shall be the first to occur of (i) the Disposition of all the

Properties or (iii) an LLC Conversion and the Master Lease expires concurrently with the Trust's termination; thus, as a result of the restrictions on the Trust discussed in "The Trust and Summary of the Trust Agreement" below, the Trust will effectively have to either sell all of the Properties and terminate or undertake an LLC Conversion before the Trust's and Master Lease's term expire.

Inability to Amend Business Plan. The Trust lacks the ability to change its business due to circumstances beyond its control. If adverse circumstances arise for any reason, the Trust lacks the ability to renegotiate the Master Lease or the subleases with any of the Tenants, obtain additional capital or sell the Properties. Therefore, if adverse circumstances arise for any reason, even with respect to only one of the six Properties, an LLC Conversion might be triggered. See "LLC Conversion" below.

The Sponsor Has Entered into an Equity Finance Arrangement Secured by its Class 2 Interests to Help Meet the Increased Demand for Its All-Cash offerings. The Sponsor entered into an equity finance arrangement as part of this offering which financing shall be secured by the Sponsor's Class 2 interests. The equity finance arrangement and pledge is on the Sponsor's Class 2 interests only and does not extend to the Trust or Class 1 interests of investors. The equity finance arrangement will be repaid as cash is contributed by Investors into the Trust and the corresponding pledge on the respective Class 2 interests will be removed following the repayment. The Manager, the Property Manager and the Master Lessee have provided an assignment of their respective rights under the asset management Agreement, the property management agreement and the Master Lease, for the period of time that the equity finance arrangement is in place. The Trust's hold period and exit strategy could be adversely affected should the Sponsor not repay the equity finance arrangement after a period of 18 months and if the pledgee were to become the manager of the Trust pursuant to the assignment of the asset management agreement.

Owners Must Rely on Management and They Have No Voting Rights. All decisions regarding management and operation of the Trust will be made exclusively by the Manager and the Trustee, and the Owners will have no right to vote on any matters. The Trustee and the Manager will not consult with the Owners when making any decisions with respect to the Trust or the Properties, including with regard to the collection of rent, the making of any distributions and any Disposition of the Properties. Prospective Investors that decide to purchase Interests must entrust all aspects of the management and operation of the Trust to the Manager and the Trustee or their successor(s). As a result, prospective Investors should carefully evaluate the business experience and performance of the Manager and its principals. The Manager is a recently-formed entity with limited operating history and assets and has no fiduciary duty to the Owners. There is no assurance that the Manager will effectively or successfully manage and operate the Trust and its assets or the Disposition of the Properties. The Manager may retain independent contractors to provide various services to the Trust. The independent contractors will also have no fiduciary duty to the Owners and may not perform successfully. The Manager will not be responsible for managing the Properties, which will be managed by the Master Lessee pursuant to the Master Lease. See "Business Plan," "Organization and Management," "The Manager," "The Master Lessee," "Conflicts of Interest," "Prior Performance of the Sponsor and its Affiliates," "Limited Fiduciary Duty" and "The Trust and Summary of the Trust Agreement."

The Manager Has No Substantial Assets. The Manager does not have any substantial assets. Thus, there is no assurance that the Manager will have the financial resources to serve and satisfy its obligations to the Trust. The Manager's lack of financial resources could adversely affect its ability to satisfy its financial obligations and to manage the Trust. In addition, the Manager, the Property Manager and the Master Lessee have provided Ameris Bank with an assignment of their respective rights under the asset management Agreement, the property management agreement and the Master Lease, as part of the equity finance arrangement that could allow Ameris Bank with the ability to pursue a sale of the Properties. The Trust's operations and any pro forma budgets or targeted cash flows included in this Memorandum may be adversely affected by any such early sale of the Properties. This Memorandum does not contain financial statements for the Manager.

The Success of Your Investment Depends on Key Management, the Loss of Which Could Materially Adversely Affect the Trust and its Business and Operations. The ability of the Manager to effectively and successfully manage and operate the Trust is dependent on the continued efforts and abilities of Key Principals, Joshua Ungerecht, David Fisher and Warren Thomas, who hold senior management positions in the Sponsor and the Manager. The loss of the services of one or any of these key people could have a material adverse effect on the Trust's business, financial condition and results of operations and negatively impact your investment.

Key Members of Management Hold Other Positions. The Key Principals do and will engage in other activities outside of the business of the Trust and are employed independently of the Trust. None of these shared management personnel are obligated to allocate a specific amount of time to their duties as members of management of the Manager, and they may devote more time and attention to other activities than they devote to the operations of the Trust and the Properties. See “Organization and Management.”

Conflicts of Interest. Conflicts of interest between the Trust and the various roles, activities and duties of the Sponsor, the Manager, the Property Manager, the Master Lessee and their principals and executives are likely to occur from time to time. The Manager will have conflicts of interest in allocating management time, services and functions between the Trust and the Properties and other current and future activities. There is no guarantee that the Manager will have sufficient staff, consultants, independent contractors and business and property managers to adequately perform its duties. The Owners will not have any right to any interest in any future entities or business ventures formed or developed by the Manager or any of their Affiliates. Any conflicts of interest may result in the rights of the Trust not being adequately protected to the detriment of its Owners. None of the agreements or arrangements, including those relating to compensation, between the Trust, the Manager or their Affiliate, is the result of arm’s-length negotiations. See “Conflicts of Interest.”

The Owners Do Not Have Legal Title to the Properties. The Owners will not have legal title to the Properties; the Owners will only hold beneficial ownership interests in the Trust. The Owners will not have any right to seek an in-kind distribution of the Properties or divide or partition the Properties. Moreover, the Owners will not have any decision making authority or voting rights, including no vote as to whether or not the Properties are sold. The sole right of the Owners will be to receive distributions from the Trust if, as and when made as provided under the Trust Agreement.

No Decision Rights regarding Disposition Requirements for the Properties; No Guaranteed Return. The Owners will not have any vote or decision-making authority with respect to the Disposition of the Properties. If the Manager determines, in its sole discretion, that the Disposition of the Properties is reasonable, then the Trust may sell the Properties. The Trust shall have perpetual existence and shall be dissolved and wound up in accordance with Section 3808 of the Delaware Statutory Trust Act and its Trust Termination Date, which shall be the first to occur of (i) the Disposition of all the Properties or (ii) an LLC Conversion and the Master Lease expires concurrently with the Trust’s termination; thus, as a result of the restrictions on the Trust discussed in “The Trust and Summary of the Trust Agreement” below, the Trust will effectively have to either sell all of the Properties and terminate or undertake an LLC Conversion before the Trust’s and Master Lease’s term expire. The Disposition will occur without regard to the tax position, preferences or desires of any of the Owners, and the Owners will have no right to approve (or disapprove) of the timing or terms of the Disposition of the Properties. An Owner may or may not be able to defer the recognition of gain for federal, state or local income tax purposes when the Disposition occurs. The Owners will not have any decision or voting rights with respect to when a Disposition is made, even if the Owners believe a different return would be preferable considering market conditions and other factors. If a Disposition does not occur before the Trust Expiration Date, the Trust will be converted into the LLC pursuant to an LLC Conversion. If this occurs, the Owners may not receive a positive return on their investment. There is no assurance that adverse consequences will not occur before the Disposition of the Properties. If the Properties are transferred (or the Trust is converted) to the LLC, the Owners will likely lose their ability to participate in a future Section 1031 Exchange.

No Certainty of Distributions. While the Trust currently intends to make cash distributions to the Owners, there can be no assurance as to the manner, amount or timing of such distributions, including whether actual distributions will be sufficient to provide approximately the following estimated cash flow returns on the Owners’ investment: (i) 5.15% in year one; (ii) 5.19% in year two; (iii) 5.22% in year three; (iv) 5.25% in year four; (v) 5.30% in year five; (vi) 5.42% in year six; (vii) 5.46% in year seven; (viii) 5.49% in year eight; (ix) 5.52% in year nine; and (x) 5.58% in year 10. However, there is no assurance that the Trust will be able to meet these distributions, or that such distributions will, in fact, be made at all. Distributions, if any, will be subject to costs, fees and expenses and the maintenance of reserves and may be restricted or suspended if the Manager determines in its sole discretion it would be in the best interests of the Trust. The Manager intends to distribute sufficient cash from activities of the Trust to enable the Owners to pay any tax imposed on any taxable income generated by the Trusts but there can be no guarantee that the Trust will be able to do so. To the extent the Manager uses any reserves to pay distributions, the Trust may fully or partially deplete reserves needed for future contingencies.

Limited Duties to the Owners. The Trustee and the Manager will not owe any duties to the Owners other than those limited duties set forth in the Trust Agreement. In performing their duties, the Trustee and the Manager will only be liable to the Owners for willful misconduct, bad faith, fraud or gross negligence. The Sponsor and the other Owners will have no fiduciary duty to any Owner, as this duty may be applicable to other investments such as a partnership, limited liability company or corporation. Accordingly, the Owners may have a more limited right of action than would otherwise be the case absent such duty. See “Limited Fiduciary Duty.”

New Venture. The Trust is a new entity with no operating history, and there is no assurance that the Trust will be profitable. The Trust’s goals are highly speculative and there is no assurance that the Trust will be able to meet any of its obligations. If you purchase Interests, you should be aware that you may not earn a substantial return on your investment, if at all, and you may lose a significant portion of your investment. See “Business Plan.”

Receipt of Compensation Regardless of Profitability. The Manager and the Trustee are entitled to receive certain significant fees and other compensation, payments and reimbursements regardless of whether the Trust is profitable and such fees will be received prior to any distributions being made to the Owners. See “Compensation of the Sponsor, The Manager and their Affiliates.”

Lack of Diversification. The Trust may only own and lease the Properties. The Trust generally cannot acquire or develop any property or investments other than the Properties. Thus, an investment in the Trust will not provide any diversity as to asset type. This lack of diversification substantially increases the risks associated with an investment in the Interests. Adverse market conditions could have a material and adverse impact on your investment in the Trust, including any return on your investment. See “Description of the Properties.”

No Assurance of Results. The Trust has no non-cash assets other than the Properties and the Master Lease, and the Owners will be prohibited from contributing additional assets to the Trust. The Trust’s goals are highly speculative and there is no assurance that the Trust will be able to meet any of its obligations or successfully execute its business plan.

Loss on Dissolution or Termination. In the event of a Disposition, the ability of an Owner to recover all or any portion of such Owner’s investment will depend on the amount of net proceeds realized from the liquidation and the amount of claims to be satisfied therefrom. There can be no assurance that the Trust or the LLC will recognize any gains or realize net proceeds on liquidation, and you may not recover any portion of your investment.

Limitation of Liability/Indemnification of the Manager and the Trustee. The Manager, the Trustee and their attorneys, agents and employees will be entitled to indemnification from their errors of judgment and other acts or omissions not constituting willful misconduct, bad faith, fraud or gross negligence as a result of certain indemnification provisions in the Trust Agreement. See “The Trust and Summary of the Trust Agreement.” A successful claim for indemnification would deplete the Trust’s assets by the amount paid and adversely affect your investment.

Master Lease Structure and Operating Risks

Dependence on Master Lessee. The Properties are leased to the Master Lessee pursuant to the Master Lease. The Master Lessee is solely responsible for subleasing the Properties to the Tenants, as well as for collecting rents and other expenses from the Tenants. In addition, the Master Lease is a “triple net” lease under which the Master Lessee will be responsible for paying all expenses relating to the Properties, including, but not limited to, operating expenses, taxes, insurance and the cost of minor non-structural improvements, although the Master Lessee will rely upon the operations at the Properties to pay such expenses. Whereas the Trust will be responsible for any Capital Expenses (as defined in the Master Lease), the Trust will not be responsible for any Capital Expenses or, otherwise, for making or performing (or incurring any cost, expense or expenditure for the making or performing of) any repairs, replacements or improvements to, for and/or in respect of any of the Properties that the Trust determines (in its sole discretion) that it is not permitted to be responsible for, make, perform and/or incur pursuant to the terms of the Trust Agreement.

Dependence on Tenants' Rent. Negative financial circumstances for the Tenants could result in their reduced income, which could lead to the Tenants' failure to pay rent to the Master Lessee under the Master Lease. The assets of the Master Lessee are limited, and if the Tenants fail to pay rent when due with respect to the Properties, the Master Lessee may default on its obligations under the Master Lease. In addition, while the Sponsor anticipates that rents under the Tenants leases will increase over time, there is no assurance that rents will increase and can in fact decrease.

No Guarantee that Tenants Will Exercise their Lease Options. The Tenants' leases include options for the Tenants to extend their lease term. See "Summary of the Lease." However, there can be no assurance that the Tenants will exercise their respective options to extend their lease term. As a result, such leases would be terminated and the Master Lessee would be required to seek new tenants for the Properties upon expiration of the Tenants' leases. There is no assurance that the Master Lessee will be successful in doing so. Vacancies in the Properties for any period of time could materially and adversely affect the amount of rental income to the Master Lessee, which could cause the Master Lessee to default on its obligation under the Master Lease to pay rent to the Trust.

Re-Leasing Risk. The buildings at the Properties are six single-tenant properties. See "Description of the Properties." As a result, the Master Lessee must successfully negotiate a new lease with the Tenants or seek a new tenant for the Properties upon expiration of the Tenants' leases. There is no assurance that the Master Lessee will be successful in doing so. Vacancies in the Properties for any period of time could materially and adversely affect the amount of rental income to the Master Lessee, which could cause the Master Lessee to default on its obligation under the Master Lease to pay rent to the Trust.

Fixed Rent/Master Lessee Retains Any Operating Profit Above Annual Base Rent. The Master Lessee will pay an Annual Base Rent to the Trust; monthly base rent will be one-twelfth of the Annual Base Rent. The terms of the Master Lease may not be renegotiated during the term of the Trust. As a result, if more favorable economic conditions exist in the future in the location where the Properties are located, the Trust will not benefit from increases in market rental rates in such location. Accordingly, the Master Lessee will retain operating revenues from the Properties that exceed the Annual Base Rent to the Trust under the Master Lease.

Certain Private Offering and Liquidity Risks

Maximum Offering Amount May Not Be Raised. We are seeking gross proceeds from this Offering of \$52,785,000. There can be no assurances that the Maximum Offering Amount will be raised.

No Minimum Offering. There is no minimum amount of Offering Proceeds that must be raised or minimum number of Owners required in connection with this Offering. All proceeds from the sale of Interests will be delivered directly to the Trust's operating account.

Determination of Interest Purchase Price. The purchase price of the Interests has been arbitrarily determined and is not the result of arm's length negotiations. It has been determined primarily by the capital needs and expenses of the Trust, the Sponsor, the Manager, the Property Manager, the Master Lessee to acquire the Properties and complete the Offering and is not the result of arm's-length negotiations. It bears no relationship to any established criteria of value such as book value or earnings per Interest or any combination thereof. The \$52,785,000 aggregate purchase price for the Interests (including costs, fees and expenses relating to the acquisition of the Properties (including fees to Affiliates of the Sponsor) and this Offering) will be substantially more than the price paid by the Trust to purchase the Properties. Further, the price of the Interests is not based on past earnings of the Trust, nor does the price necessarily reflect the current market value for the Properties.

Valuation. The valuation of the Trust at exit will be based on the Manager's determination based on available third-party valuation information and considering the Master Lease. The ExchangeRight REIT may acquire your Interests for less than the amount you paid for such Interests. Any such acquisition by ExchangeRight's REIT platform below the initial acquisition price will be subject to a third-party valuation report. You will have no control over whether your Interest will be exchanged pursuant to the exit strategy. Because the Manager controls the Trust and will oversee its sale process, you must acquire an Interest with the understanding that the Trust's capital preservation and target optionality pursuant to its exit strategy is not guaranteed and may not be achieved.

Limited Transferability of Securities. To purchase Interests, you must make certain representations, including that you are acquiring the Interest in investment and not for distribution or resale, you understand the Interests are not freely transferable and you must bear the economic risk of investment in an Interest for an indefinite period of time. The Interests have not been registered under the Securities Act or applicable state securities laws and the Interests cannot be sold unless they are subsequently registered or an exemption from such registration is available and unless you comply with the other applicable provisions of the Trust Agreement. There is no public or other trading market for the Interests and it is highly unlikely that any market will develop. Therefore, you cannot expect to be able to liquidate your investment in case of an emergency. Further, the sale of the Interests may have adverse federal income tax consequences. Any transfer of the Interests under the Trust Agreement will be subject to (i) compliance with applicable federal and state securities laws; and (ii) the delivery to the Manager of assignee's or transferee's written acceptance and adoption of the Trust Agreement. See "Description of the Interests – Transfer Restrictions."

Lack of Secondary Market. There can be no assurance (and it is very unlikely) that a secondary resale market for the Interests will develop or, if it does develop, that it will provide the Owners with liquidity for their investments or that it will continue for as long as the Interests remain outstanding. The Interests will not be listed on any securities exchange.

Unregistered Offerings. The offerings of the Interests will not be registered with the SEC under the Securities Act or with the securities authorities of any state. The Interests are being offered in reliance on exemptions from the registration provisions of the Securities Act and state securities laws applicable to offers and sales to prospective Investors meeting the prospective investor suitability requirements set forth herein. If the Sponsor, the Trust, or the Selling Group members should fail to comply with the requirements of such exemptions, Owners may have the right to rescind their purchase of the Interests, as applicable. This might also occur under the applicable state securities laws and regulations in states where the Interests will be sold without registration or qualification pursuant to a private offering or other exemption. If a number of the Owners were successful in seeking rescission, the Trust and the Manager would face severe financial demands that would adversely affect the Trust as a whole and, thus, the investment in the Interests by the remaining Owners. Such event would have a material adverse effect on the Trust.

Lack of Regulatory Review. Since the Offering is nonpublic and, as such, not registered under federal or state securities laws, you will not have the benefit of a review of this Memorandum by the SEC or any state securities commissions or other regulatory authorities prior to your investment. The terms and conditions of the Offering will not comply with the guidelines and regulations established for securities offerings that are required to be registered and qualified with those authorities.

Availability of Exemptions for Other Offerings. Other offerings by Affiliates of the Sponsor and the Manager have been made in reliance on exemptions from the registration provisions of federal and state securities laws. No assurance, however, can be given that such exemptions were available or that the compliance requirements were met. If exemptions were not available for those offerings, the Trust, as well as the partners and principals involved in such other offerings, could incur significant liability, including return of amounts paid to investors. Because the officers and principals of the Manager are also officers and principals of each other and the Master Lessee or partners and/or principals involved in these other offerings, the management resources of the Manager and the Trust could be adversely affected by liabilities incurred with respect to those other offerings.

Prohibition on Bad Actors. This Offering is intended to be made in compliance with Rule 506(b) of Regulation D promulgated under the Securities Act. The SEC has recently changed the requirements of Regulation D offerings to include a prohibition on the participation of certain "bad actors." The Trust will obtain representations from the Manager and its principals and the Selling Group Members that the applicable party is not a "bad actor" as that term is defined in Rule 506(d) of Regulation D. In the event that a statutory "bad actor" participates in the Offering, the Trust may lose its exemption from registration of the Interests. Pursuant to Rule 506(e) of Regulation D, certain events that would otherwise have designated an Offering participant as a "bad actor" but which occurred prior to the effective date of Rule 506(d), are required to be disclosed to all potential investors. These disclosures are set forth in "Plan of Distribution – Disclosures regarding Certain Broker-Dealers who are Offering and Selling the Interests." See "Plan of Distribution."

Pro Forma Budgets/Targeted Aggregate Cash Flows. Any pro forma budgets or targeted cash flows included in this Memorandum (such as the Pro Forma, attached hereto as Exhibit G) are forward-looking statements that involve significant risk and uncertainty. All materials or documents supplied by the Trust or its Affiliates, including any such Pro Forma budgets or cash flows, should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Memorandum. The assumptions and facts upon which such Pro Forma is based are subject to variations that may arise as future events actually occur and to a complex series of events, many of which are outside the control of the Trust, the Sponsor, the Manager and the Master Lessee. The Pro Forma included herein is based on assumptions regarding future events. There is no assurance that actual events will correspond with these assumptions. Actual results for any period may or may not approximate Pro Forma targets and may differ significantly. You should consult with your tax and business advisors about the validity and reasonableness of the factual, accounting and tax assumptions. Neither the Trust nor any other person or entity makes any representation or warranty as to the future profitability of the Trust or of an investment in the Interests.

No Representation of Owners. Each of the Owners acknowledges and agrees that counsel, the Manager, the Trust and their Affiliates do not represent and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Owners in any respect.

Risks Relating to Admission of ERISA Investors to the Trust. In considering an investment in the Trust of a portion of the assets of a Benefit Plan Investor (as defined in “Certain Considerations Applicable to ERISA, Governmental and Other Plan Investors”), a fiduciary of such Benefit Plan Investor should consider (i) whether the investment satisfies the diversification requirements of Section 404 of ERISA; and (ii) whether the investment is prudent, since the Interests are not freely transferable and there may not be a market created in which the Interests may be sold or otherwise disposed. As discussed under “Certain Considerations Applicable to ERISA, Governmental and Other Plan Investors,” the Manager intends to conduct the operations of the Trust so that the assets of the Trust will not be deemed to constitute “plan assets” of Benefit Plan Investors. If, however, the Trust were deemed to hold “plan assets” of Benefit Plan Investors, (i) ERISA’s fiduciary standards would apply to the Trust and might materially affect the operations of the Trust, and (ii) any transaction with the Trust could be deemed a transaction with each Benefit Plan Investor and may cause transactions into which the Trust might enter in the ordinary course of business to constitute prohibited transactions under ERISA and Section 4975 of the Code. In order to avoid having the Trust’s assets treated as “plan assets,” the Manager may seek to manage the assets and activities of the Trust so as to qualify as an “operating company,” and that may adversely affect the operations of the Trust. For example, the Manager may decide to liquidate a given investment at an otherwise disadvantageous time based on these requirements. As an alternative means of avoiding the Trust’s assets being treated as “plan assets,” the Manager may restrict the acquisition and transfer of Interests to ensure that the ownership interest of Benefit Plan Investors does not become “significant” with respect to any class of the Trust’s equity interests, and such restrictions could delay or preclude an investor’s ability to transfer its Interests. See “Certain Considerations Applicable to ERISA, Governmental and Other Plan Investors.”

Limited Independent Review. The Sponsor has engaged ERS, an Affiliate of the Sponsor, as Managing Broker-Dealer, on a limited basis. Under federal securities laws, an independent broker-dealer is expected to take steps to ensure that the information contained in this Memorandum is accurate and complete. The steps are typically taken by the “Managing Underwriter” or “Managing Dealer” who participates in the preparation of an offering memorandum. In addition, the Managing Dealer has certain duties related to an offering, including a duty to a prospective investor to ensure that an investment in a security is suitable for that prospective investor, a duty to conduct adequate due diligence with respect to the offering and a duty to comply with federal and state securities laws. If a Managing Dealer is not engaged for this Offering, this independent review and analysis of the Memorandum and this Offering will not be conducted.

Tax Risks of a Section 1031 Exchange

THIS SECTION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE OFFERING. EACH INVESTOR SHOULD SEEK ADVICE BASED ON HIS, HER OR ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR CONCERNING THE INCOME AND OTHER TAX CONSEQUENCES OF PARTICIPATION IN THIS INVESTMENT.

General. There are substantial risks associated with the federal income tax aspects of a purchase of an Interest that is intended to be part of a Section 1031 Exchange. The following paragraphs summarize some of these tax risks to an Owner with respect to the purchase of an Interest. **Because the tax aspects of this Offering are complex and certain of the tax consequences may differ depending on individual tax circumstances, each prospective Investor should consult with and rely on its own tax advisor about this Offering's tax aspects in light of its individual situation. No representation or warranty of any kind is made with respect to the IRS's acceptance of the treatment of any item of income, deduction, gain, loss, credit or any other item by an Owner and there can be no assurance that the IRS will not challenge any such treatment.**

Acquisition of the Interests May Not Qualify as a Section 1031 Exchange. An Interest may not qualify under Section 1031 for tax-deferred exchange treatment, and even if it does, a portion of the proceeds from an Owner's sale of his or her property to be relinquished (the "**Relinquished Property**") could constitute taxable "boot" (as defined below). Whether any particular acquisition of an Interest will qualify as a tax-deferred exchange under Section 1031 depends on the specific facts involved, including, without limitation, the nature and use of the Relinquished Property and the method of its disposition, the use of a qualified intermediary and a qualified exchange escrow and the lapse of time between the sale of the Relinquished Property and the identification and acquisition of the replacement property (the "**Replacement Property**" or "**Replacement Properties**"). None of the Sponsor or its Affiliates, counsel or agents are examining or analyzing any prospective Investor's circumstances to determine whether such Owner's acquisition of Replacement Property qualifies as a Section 1031 Exchange. **Moreover, no opinion or assurance is being provided to the effect that any individual prospective Investor's transaction will qualify under Section 1031. Such examinations or analyses are the sole responsibility of each prospective Investor, who must consult with his or her own legal, tax, accounting and financial advisors before purchasing an Interest.** If the factors surrounding an Owner's disposition of the Relinquished Property and his or her acquisition of the Interests do not meet the requirements of Section 1031, the disposition of the Relinquished Property will be taxed as a sale and the IRS will assess interest and possibly penalties for failure to timely pay such taxes as a result of such sale. Also, merely designating an Interest in connection with an Owner's Section 1031 Exchange does not assure the Owner that there will be Interests available to purchase when the Owner executes the Purchase Agreement and actually causes his, her, or its qualified intermediary to transfer funds to complete the purchase of the Interests.

Changes to the Section 1031 Exchange Rules Could Negatively Impact an Owner's Exit Strategy. The U.S. Congress periodically evaluates various proposed modifications to the Section 1031 Exchange rules that could, if enacted, prospectively repeal or restrict the ability to utilize a Section 1031 Exchange to achieve tax deferral on gain in connection with the disposition of real property or beneficial interests in a fixed investment trust. It is possible that repeal or amendment of Code Section 1031 or the Treasury Regulations promulgated thereunder could negatively impact the use of a Section 1031 Exchange in connection with an Owner's exit strategy.

Classification for Purposes of Code Section 1031. The Sponsor believes the Offering described in this Memorandum is structured in a manner that the Interests should be treated for Code Section 1031 purposes as direct ownership interests in each of the Properties and not as interests in a partnership or securities. If the Interests were to so be treated by the IRS or a court as any of the foregoing, then no Owner would be able to use its acquisition of Interests as part of a Section 1031 Exchange to defer gain under Code Section 1031. The IRS may challenge the tax treatment related to the Interests as described in this Memorandum.

In connection with the Offering, on the date of this Memorandum, we obtained an opinion from Tax Counsel in connection with the Offering that: (i) the Trust should be treated as an investment trust described in Treasury Regulation Section 301.7701-4(c) that is classified as a "trust" under Treasury Regulation Section 301.7701-4(a); (ii) the Owners should be treated as "grantors" of the Trust; (iii) as "grantors," the Owners should be treated as owning an undivided fractional interest in each of the Properties for federal income tax purposes; (iv) the Interests should not be treated as securities for purposes of Code Section 1031; (v) the Interests should not be treated as certificates of trust or beneficial interests for purposes of Code Section 1031; (vi) the Master Lease should be treated as a true lease and not a financing for federal income tax purposes; (vii) the Master Lease should be treated as a true lease and not a deemed partnership for federal income tax purposes; (viii) the discussions of the federal income tax consequences contained in the Memorandum are correct in all material respects; and (ix) certain judicially created doctrines should not apply to change the foregoing conclusions.

The issues which are the subject of such opinion have not been definitely resolved by statute, administrative action or case law. This opinion will be based on the facts and circumstances set forth in the opinion and is not a guarantee of the current status of the law, and, as such, it should not be treated as a guarantee that the IRS or a court would concur with the conclusion in the opinion. If any of such facts or circumstances were to change, the tax consequences to Owners described in the opinion and in this Memorandum could change. See “Federal Income Tax Consequences.”

Identification Rules. Treasury Regulation Section 1.1031(k)-1(c)(4) permits taxpayers to identify alternative and multiple Replacement Properties under Code Section 1031. In general, a taxpayer must identify all potential Replacement Properties by midnight on the 45th day after the taxpayer’s transfer of the Relinquished Property (the “**identification period**”). Any “like kind” property received by the taxpayer before the end of the identification period is deemed to have been identified before the end of the identification period. In addition, taxpayers are permitted to identify three properties without regard to the fair market value of the properties (the so-called “**three property rule**”) or multiple properties with a total fair market value not in excess of 200% of the value of the Relinquished Property (the “**200% rule**”). In the event that the IRS successfully challenges the valuation of a Replacement Property under the 200% rule, and as a result the Replacement Properties identified by the taxpayer exceed 200% of the value of the taxpayer’s Relinquished Property, the taxpayer’s identification may be treated as invalid, which may invalidate the taxpayer’s like-kind exchange under Section 1031. A taxpayer will also be treated as satisfying the Code Section 1031 identification rules with respect to any Replacement Property otherwise properly identified before the end of the identification period and received before the end of the period (the “**exchange period**”) beginning on the date the taxpayer transfers the Relinquished Property and ending at midnight on the earlier of the 180th day thereafter or the due date (including extensions) for the taxpayer’s return of the income tax imposed by the Code for the taxable year in which the transfer of the Relinquished Property occurs), but only if the taxpayer receives before the end of the exchange period identified Replacement Property the fair market value of which is at least 95 percent of the aggregate fair market value of all identified Replacement Properties (the “**95% rule**”).

For purposes of both the 200% rule and the 95% rule, “fair market value” means the fair market value of the applicable property without regard to any liabilities secured by the property. Thus, a taxpayer identifying under the 200% rule for an unencumbered Relinquished Property having a value of \$20 million could only identify Replacement Property(ies) having an aggregate gross fair market value (without regard to any liabilities which may encumber such property(ies)) of \$40 million, in which case the identification of a single Replacement Property having a \$30 million equity value but which is secured by a \$20 million liability (and, thus, having a \$50 million gross value) would violate the 200% rule.

The Trust holds a total of six Properties. The Properties will not constitute a single property for purposes of the three property rule and the Owners will not be able to rely on the three property rule for this Offering. The identification rules of Code Section 1031 are strictly construed, and an Owner’s exchange will not qualify for deferral of gain under Code Section 1031 if too many properties or properties having too much value are identified, if the properties are not correctly identified, or if the deadlines for identification are not met. Owners will have to rely on the 200% rule or 95% rule with respect to the Offering and should seek the advice of their tax advisors prior to subscribing for the Interests or making an identification.

Code Section 467 Rent Allocation. Although the issue is not completely settled under existing law, under Code Section 467 of the Code, if the Master Lessee were to defer payment of rent the Owners may still be required to report and pay tax on rent in accordance with the Annual Base Rent schedule set forth on the Master Lease. As a result, Owners may be required to recognize rental income even though all of the rent may not be currently paid and, in such circumstances, may have to use funds from other sources to pay tax on such income. In addition, Owners may have to recognize imputed interest income on such deferred amounts.

Form of Ownership. The utilization of a Delaware statutory trust (like the Trust) to acquire and hold real property for purposes of a Section 1031 Exchange is based primarily on Rev. Rul. 2004-86, which addresses whether a Delaware statutory trust will be treated as an “entity” taxable as a partnership. The IRS based its conclusion in the Revenue Ruling on the following elements: (i) the DST is treated as an entity separate from its owners (and not as a co-ownership or agency arrangement); (ii) the DST is an “investment” trust and not a “business entity” for federal income tax purposes; (iii) the DST is a “grantor trust” for federal income tax purposes, with the holders of Interests in

the DST treated as the grantors of the DST; and (iv) the holders of Interests in the DST are treated as directly owning Interest in real property held by the DST. There are no authorities that directly address the tax treatment of the Trust other than Rev. Rul. 2004-86. It is possible that the IRS could revoke Rev. Rul. 2004-86 or, in the alternative, determine that the Trust does not comply with the requirements of that ruling or the underlying authorities. A determination that the Trust is not taxable as a trust (within the meaning of Treasury Regulation Section 301.7701-4) likely would have a significant adverse impact on the Owners. Because the holding of Rev. Rul. 2004-86 is based on certain factual assumptions regarding the DST described in the ruling, not all of which apply to the Trust, and because there are provisions in the Trust Agreement that are not mentioned in the limited facts laid out in the ruling, there can be no guarantee that the Interests will satisfy the requirements of Code Section 1031.

No Decision Rights Regarding the Disposition of the Properties. The Owners will not have any vote or decision-making authority with respect to the Disposition of the Properties, including with respect to the timing thereof. If the Manager determines, in its sole discretion, that the Disposition of the Properties is reasonable, then the Trust may sell the Properties. This Disposition will occur without regard to the tax position, preferences or desires of any of the Owners, and the Owners will have no right to approve (or disapprove) of the Disposition of the Properties. An Owner may or may not be able to defer the recognition of gain for federal, state or local income tax purposes when this Disposition occurs.

Conversion to the LLC Likely Impairs Future Deferral Under Code Section 1031. In the event of a LLC Conversion, the Trust will be converted into the LLC and the Owners' Interests in the Trust will be converted to interests in the LLC. The LLC will be treated as a partnership for federal income tax purposes. Unlike interests in the Trust, interests in the LLC will not be treated as direct ownership interests in real property for federal income tax purposes (including for purposes of a Section 1031 Exchange). Thus, if an LLC Conversion were to occur, it is unlikely that any of the Owners will thereafter be able to defer the recognition of gain with respect to their interests in the LLC under Code Section 1031.

An LLC Conversion will occur under the circumstances set forth in the Trust Agreement without regard to the tax consequences that arise as a result of the transaction. Under current law, an LLC Conversion should not be subject to federal income tax pursuant to Code Section 721. An LLC Conversion could be subject, however, to state or local income, transfer or other taxes. In addition, there can be no assurances that an LLC Conversion will not be taxable under the federal income or other tax laws in effect at the time the LLC Conversion occurs. Because an LLC Conversion could occur in several situations, it is not possible to determine all of the tax consequences to the Owners in the event that an LLC Conversion does occur. Prospective Investors should consult their own tax advisors regarding the tax consequences of an LLC Conversion and the effect of the Properties being held by the LLC rather than the Trust. An LLC Conversion, if made, will occur only as permitted in accordance with Section 9.2 of the Trust Agreement. An event which would cause an LLC Conversion with respect to any of the assets of the Trust is not expected at this time based on current and foreseeable circumstances.

Delayed Closing; Inability to Close. An Owner who is completing a Section 1031 Exchange should be aware that closing on his acquisition of Replacement Property must occur before midnight on the earlier of (i) the 180th day after the date on which the Owner transferred the property relinquished in the exchange, or (ii) the due date (including extensions) for the Owner's return for the taxable year in which the transfer of the Relinquished Property occurs. No extensions will be granted or other relief afforded by the IRS to taxpayers who do not satisfy this requirement. Therefore, a delayed closing on the acquisition of an Interest could adversely affect the qualification of an exchange under Code Section 1031.

Because there can be no assurance that an Investor's offer to acquire an Interest will be accepted, a prospective Investor pursuing a Section 1031 Exchange is strongly encouraged to (if and to the extent he is otherwise permitted to do so under the particular identification rules applicable to him) "identify" the maximum number of alternative Replacement Properties and not to identify only his prospective interest in each of the Properties purchased in this Offering.

Deferral of Tax under State Law. Some states adopt Code Section 1031 in whole, other states adopt it in part and still other states impose their own requirements to qualify for deferral of gain under state law. In addition, while many states follow federal tax law by treating the owner of an interest in a fixed investment trust as owning an

interest in the assets held by the Trust, other state laws may differ and could result in the imposition of income or other taxes on such entities. Each prospective Investor must consult its own tax advisor as to the qualification of a transaction for deferral of gain under state law. See “Federal Income Tax Consequences.”

The Use of Certain Exchange Proceeds and Other Aspects of the Offering May Result in Taxable “Boot.” In a Section 1031 Exchange, money or non-qualifying property received or deemed received in addition to the like-kind property is referred to as “boot.” Furthermore, gain realized on the relinquished property transaction is recognized up to the amount of “boot” received or deemed received in the replacement property transaction. Generally, any personal property that may be part of the Properties, amounts used to establish reserves and impounds or other items that are not attributable to the purchase of real estate will not be treated as an interest in real estate and may be treated as “boot.” Owners should be aware that the IRS may take the position that certain costs, escrows, reserves and impounds, as well as seller credits established or paid in connection with the sale of relinquished property and purchase of replacement property may be deemed “boot” and be taxable income to the investor. The prepaids and reserves and impounds are \$7,796.59 per Interest. It is possible that these reserves will be treated as cash boot.

In addition, the IRS could take the position that the increase in the purchase price of the Properties paid by the Owners would not be considered as an interest in real estate and may be treated as taxable “boot.” Also, the Offering does not have a loan and as such any difference of debt on the Owner’s Relinquished Property will constitute taxable “boot” to the Owner (and reportable currently by the Owner) to the extent of the Owner’s realized gain from his sale of his Relinquished Property. **No opinion is being provided by the Trust, the Manager, the Sponsor or their Affiliates or counsel with respect to the amount of “boot” in the transaction. Owners must consult their own independent tax advisor regarding these items.**

Other Requirements of Code Section 1031. Code Section 1031(a) provides for non-recognition of gain or loss only if real property held for use in a trade or business or for investment is exchanged for other real property of like-kind held for use in a trade or business or for investment. There are numerous requirements contained in the applicable provisions of the Code and Treasury Regulations concerning qualification for non-recognition of gain under Code Section 1031. Each Owner will have to determine with such Owner’s own tax advisors whether an Owner’s purchase of an Interest as part of a Section 1031 Exchange satisfies the requirements of Code Section 1031. See “Federal Income Tax Consequences.”

Potential Significant Tax Costs If Interests Were Deemed To Be Interests in a Partnership. If the Owners are treated for federal income tax purposes as having purchased interests in a partnership, the Owners who purchased their Interests as part of a Section 1031 Exchange would not qualify for deferral of gain under Code Section 1031, and each Owner who had relied on deferral of such Owner’s gain from a disposition of other interests in real property would immediately recognize such gain and be subject to federal income tax thereon. Additionally, since such determination would of necessity come after such Owner had purchased his Interest, such Owner may have no cash from the disposition of the Relinquished Property with which to pay the tax. Given the illiquid and long-term nature of an investment in the Interests, there would be no practical means of generating cash from an investment in the Interests to pay the tax. In such circumstances, an Owner will have to use funds from other sources to satisfy this tax liability.

Possible Adverse Tax Treatment for Closing Costs and Reserves. A portion of the proceeds of the Offering will be used to pay each Owner’s pro rata share of closing costs, expenses, and other costs of the Offering. In addition, a portion of the proceeds of the Offering may be treated as having been used to purchase an interest in reserves established by the Sponsor rather than for real estate. Because the tax treatment of certain expenses of the Offering, closing costs, financing costs or reserves is unclear and may vary depending upon the circumstances, no advice or opinion of Tax Counsel will be given regarding the tax treatment of such costs and the treatment of proceeds attributable to the reserves, which may be taxable to those Owners who purchase their Interests as part of a Section 1031 Exchange. Therefore, each prospective Investor should seek the advice of a qualified tax advisor as to the proper treatment of such items.

Compliance with Revenue Ruling 2004-86. Tax Counsel believes that the powers and authority granted to the Trustee, Manager, Owners, and the Trust in the Trust Agreement fall within the limited scope of the powers and authority that may be exercised with respect to an “investment trust.” The Trust Agreement authorizes the Trust to

own the Properties, receive distributions from the Properties, and make distributions thereof, enter into any agreements with qualified intermediaries for purposes of an Owner's acquisition of an Interest pursuant to Section 1031, and notify the relevant parties of any defaults under the transaction documents. Additionally, the Trust Agreement expressly denies the Manager any power or authority to undertake any actions that are not permitted to be undertaken by an entity that is treated as a "trust" within the meaning of Treasury Regulation Section 301.7701-4 and not treated as a "business entity" within the meaning of Treasury Regulation Section 301.7701-3. Furthermore, the Trust Agreement expressly prohibits the Trustee, Manager, Owners and the Trust from exercising any of the enumerated powers that are prohibited under Revenue Ruling 2004-86.

The Trust has been structured with a view to the trust addressed in Rev. Rul. 2004-86. However, distinctions exist between the Trust Agreement and other related arrangements and the trust and other related arrangements described in Revenue Ruling 2004-86. Tax Counsel believes that these distinctions are not material. These distinctions include, but are not limited to the following, which Tax Counsel views as those distinctions necessitating discussion and analysis: (i) the conversion of the Trust for tax purposes by the Sponsor from a "disregarded entity" for federal income tax purposes into an investment trust prior to admission of the Owners; (ii) the ongoing role of the Sponsor's affiliate as Manager, but with powers limited to those permitted to be exercised by the Trustee; (iii) the potential conversion of the Trust into a Delaware limited liability company that would constitute a partnership for federal income tax purposes as a result of a LLC Conversion; (iv) the Trust's acceptance of multiple contributions from purchasers of Class 1 Interests over time, rather than through a single contribution, (v) the fact that the Sponsor may retain a beneficial interest in the Trust during the period of the Offering; (vi) the fact that the Trust Agreement empowers the Manager (and only the Manager) to determine in its sole discretion when a Disposition of the Properties would be reasonable using its commercially reasonable business judgment and, thus, when the Properties shall be sold; and (vii) the obligation of the Trust to pay the Capital Expenses (as defined in the Master Lease) of the Properties, which includes capital expenditures with a term that exceeds the term of the Master Lease, and the right of the Master Lessee to use reserves to pay such Capital Expenses.

If, however, the IRS or a court were to disagree with the opinion of Tax Counsel, the Interests may be treated for federal income tax purposes as interests in a partnership and not as interests in real estate, and Owners would not be able to use their acquisition of Interests as part of a Section 1031 Exchange to defer gain under Code Section 1031.

The above is a summary of Tax Counsel's comparison of the Trust to the trust arrangement described in Revenue Ruling 2004-86. For the entire discussion, please see the Tax Opinion attached hereto as Exhibit F.

Failure to Completely Syndicate the Offering may Impact Compliance with Revenue Ruling 2004-86. Rev. Rul. 2004-86 also requires that an entity may have only a single class of ownership interest in order to be treated as an "investment trust." The trust classification regulations allow for two classes of interests, however, where the use of a second class is merely incidental to a trust's investment purposes, as is the case with the Class 1 Interests and Class 2 Interests. There is a risk that where a sponsor does not completely syndicate an offering and keeps the remaining interests in the trust along with receiving fees through a master lease arrangement, such sponsor is in essence receiving a preferred interest in the trust, or a second class of interest. However, due to the fact that the management fee is intended to be at market rate, we do not believe that this should negatively impact the Trust's treatment as an "investment trust."

Status as a True Lease for Federal Income Tax Purposes. Transactions structured as leases may be recharacterized for federal income tax purposes to reflect their economic substance. For example, in appropriate circumstances a purported lease of property may be recharacterized as a sale of the property providing for deferred payments (i.e., a financing). Such a recharacterization in this context would have significant and adverse tax consequences. For example, if the Master Lease were to be recharacterized as a financing, then for tax purposes, the Owner would be treated as having immediately sold the acquired Interest in the Properties to the Master Lessee (which would be treated as having purchased the Properties from the Owners in exchange for an installment note). The rent payments under the Master lease would be recharacterized as interest and principal payments on a loan incurred to finance the Master Lessee's purchase of the Properties. The Master Lessee would be entitled, as the owner of the Properties for tax purposes, to claim any depreciation deductions. An Owner would be unable to treat the acquired Interest as qualified "replacement property" in a Section 1031 Exchange because the Interest would constitute an interest in real property that the Owner would not hold for investment. As a result, Owners attempting to participate

in Section 1031 Exchanges would not be treated as having received qualified replacement property when they acquired their Interest. Such a recharacterization would thus have a significant adverse impact on the tax consequences of an investment in an Interest.

Rev. Proc. 2001-28 sets forth advance ruling guidelines for “true lease” status. We have not sought, and do not expect to request, a ruling from the IRS under Revenue Procedure 2001-28. These ruling guidelines provide certain criteria that the IRS will require to be satisfied in order to issue a private letter ruling that a lease is a “true lease” for federal income tax purposes. In the event of an examination by the IRS, the IRS and, ultimately, the courts of applicable jurisdiction, would consider these ruling guidelines, together with existing cases and rulings, for purposes of determining whether a lease qualifies as a true lease for federal income tax purposes. However, Tax Counsel does not believe that strict compliance with Rev. Proc. 2001-28 is required to conclude that the Master Lease should be characterized as a true lease for federal income tax purposes. Rather, Tax Counsel believes that satisfying most of the material ruling guidelines should be sufficient for purposes of determining the characterization of the Master Lease for federal income tax purposes. Tax Counsel believes the Master Lease satisfies most of the pertinent material conditions set forth in Rev. Proc. 2001-28 and that the Master Lease should be treated as a true lease rather than as a financing for federal income tax purposes. Similarly, if the Master Lessee were treated as a mere agent of the Trust rather than as a lessee, the power of the Master Lessee to make improvements to the Properties and to re-lease the Properties could be attributed to the Trust, and the Trust could be deemed to have powers prohibited under Rev. Rul. 2004-86. We have considered the issue and, after having consulted with Tax Counsel, have concluded that the Master Lessee should not be treated as an agent of the Trust. However, there is no assurance that the IRS would agree with these positions.

Tax Penalties. The Tax Opinion of Tax Counsel is attached hereto as Exhibit F and is written to support the promotion or marketing of this transaction. Each prospective Investor must seek advice based on the prospective Investor’s particular circumstances from an independent tax advisor.

Other Tax Risks

Limitations on Losses and Credits from Passive Activities. Losses from passive trade or business activities generally may not be used to offset “portfolio income,” such as interest, dividends and royalties, or salary or other active business income. Deductions from such passive activities generally may be used to offset only passive income. Interest deductions, if any, attributable to passive activities are treated as passive activity losses, and not as investment interest. Thus, such interest deductions, if any, are subject to limitation under the passive activity loss rule and not under the investment interest limitation rule. Credits from passive activities generally are limited to the tax attributable to the income from passive activities. Passive activities include trade or business activities in which the taxpayer does not materially participate and also generally include rental activities. The Owner’s income and loss from the Trust will likely constitute income and loss from passive activities. A taxpayer may deduct passive losses from rental real estate activities against other income if: (i) more than half of the personal services performed by the taxpayer in trades or businesses are performed in a real estate trade or business in which the taxpayer materially participates, and (ii) the taxpayer performs more than 750 hours of service during the tax year in real property trades or businesses in which the taxpayer materially participates. See “Federal Income Tax Consequences.”

Limitation on Excess Business Losses. Under the Tax Cuts and Jobs Act of 2017 (the “TCJA”), as revised by the Coronavirus Aid, Relief, and Economic Security Act of 2020 (the “CARES Act”) and made permanent by the One Big Beautiful Bill Act of 2025 (the “OBBBA”), excess business losses of a taxpayer other than a corporation are not allowed. Such losses are carried forward and treated as part of the taxpayer’s net operating loss carryforward in subsequent taxable years. An excess business loss for the taxable year is the excess of aggregate deductions of the taxpayer attributable to trades or businesses of the taxpayer over the sum of aggregate gross income or gain of the taxpayer plus a threshold amount. The threshold amount, which is indexed for inflation, is \$313,000 (or twice the applicable threshold amount in the case of a joint return) for 2025. The provision applies after the application of the passive loss rules and applies at the partner or shareholder level in the case of a partnership or S corporation.

Limitation on Losses under the At-Risk Rules. An Owner that is an individual or closely held corporation will be unable to deduct losses from the Trust, if any, to the extent such losses exceed the amount such Owner is “at risk.” Losses not allowed under the at-risk provisions may be carried forward to subsequent taxable years and used

when the amount at risk increases or when the Owner generates gain on the disposition of the activity. However, the rules regarding the applicability of the at risk rules to a particular Owner are complex and vary with the facts and circumstances particular to each Owner. Prospective Investors should consult their tax advisors with respect to the tax consequences to them of the rules described herein. See “Federal Income Tax Consequences.”

Potential Tax Liability in Excess of Cash Distributions. It is possible that an Owner’s tax liability resulting from its Interest will exceed its share of cash distributions from the Trust. This may occur because (i) cash flow from the Properties may be used to fund nondeductible expenses of the Properties or (ii) in an extremely rare circumstance, a substitution of the Properties may result in taxable gain without cash proceeds. Thus, there may be years in which an Owner’s tax liability exceeds its share of cash distributions from the Trust. The same consequences may result from a sale or transfer of an Interest, whether voluntary or involuntary, that gives rise to ordinary income or capital gain. If any of these circumstances occur, an Owner would have to use funds from other sources to satisfy its tax liability.

Risk of Audit. An audit of an Owner’s tax returns by the IRS or any other taxing authority could result in a challenge to, and disallowance of, some of the deductions claimed on such returns. An audit also could challenge the qualification of a Section 1031 Exchange. No assurance or warranty of any kind can be made with respect to the deductibility of any items, or the qualification of a Section 1031 Exchange, in the event of either an audit or litigation resulting from an audit. An audit of an Owner’s tax returns also could arise as a result of an examination by the IRS or any other taxing authority of tax returns filed by the Sponsor or its Affiliates, or another Owner, or any information return filed by the Trust.

Changes in Federal Income Tax Law. The discussion of tax aspects contained in this Memorandum is based on law presently in effect and certain proposed Treasury Regulations. Nonetheless, prospective Investors should be aware that new administrative, legislative or judicial action could significantly change the tax aspects of an investment in an Interest. Any such change may or may not be retroactive with respect to transactions entered into or contemplated before the effective date of such change and could have a material adverse effect on an investment in an Interest.

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of Treasury, resulting in revisions of resolutions and revised interpretations of established concepts as well as statutory changes. In particular, the TCJA, as revised by the CARES Act and the OBBBA, makes many significant changes to the U.S. federal income tax laws. Technical corrections legislation may be needed to clarify certain aspects of the new law and give proper effect to Congressional intent. There can be no assurance, however, that technical clarifications or changes needed to prevent unintended or unforeseen tax consequences will be enacted by Congress in the near future.

An investment in an Interest involving solely real property was not impacted by the changes to Section 1031 made by the TCJA. Specifically, subject to certain transition rules, for transfers effective after December 31, 2017, Section 1031 Exchanges are only allowed with respect to real property. Generally, tangible personal property and intangible property are no longer eligible for Section 1031 Exchanges. Thus, Owners should be able to utilize a Section 1031 Exchange to achieve tax deferral on gain in connection with the disposition of real property, but not with respect to tangible or intangible personal property. However, no assurance can be given that the currently anticipated U.S. federal income tax treatment of an Interest will not be modified by future legislative, judicial or administrative changes possibly with retroactive effect. For example, repeal or amendment of Code Section 1031 or the Treasury Regulations promulgated thereunder could negatively impact the use of a Section 1031 Exchange in the future.

Tax Shelter, Listed Transaction and Reportable Transaction Disclosure. A taxpayer’s ability to claim privilege on any communication with a federally authorized tax preparer involving a tax shelter is limited. In addition, taxpayers and material advisors are required to comply with disclosure and list maintenance requirements for reportable transactions. Reportable transactions include transactions that generate losses under Code Section 165 and may include certain large like-kind exchanges entered into by corporations.

The Trust believes, and Tax Counsel believes, they are not required to, and do not intend to, make any filings pursuant to these disclosure or list maintenance requirements. There can be no assurances that the IRS will agree with

this determination by the Trust and Tax Counsel. Significant penalties could apply if a party fails to comply with these rules, and such rules are ultimately determined to be applicable.

State and Local Taxes. In addition to federal income tax consequences, a prospective Investor should consider the state and local tax consequences of an investment in an Interest. Prospective Investors must consult with their own tax advisors concerning the applicability and impact of any state and local tax laws. Owners may be required to file state tax returns in some or all of the states where the Properties are located in connection with the ownership of an Interest. See “Federal Income Tax Consequences.”

Accuracy-Related Penalties and Interest. In the event of an audit that disallows an Owner’s deductions or disqualifies an Owner’s Section 1031 Exchange, Owners should be aware that the IRS could assess significant penalties and interest on tax deficiencies. The Code provides for penalties relating to the accuracy of tax returns equal to 20% of the portion of the tax underpayment to which the penalty applies. The penalty applies to any portion of any understatement that is attributable to (i) negligence or disregard of rules or regulations; (ii) any substantial understatement of income tax; or (iii) any substantial valuation misstatement. A substantial valuation misstatement occurs if the value of any property (or the adjusted basis) is 150% or more of the amount determined to be the correct valuation or adjusted basis. This penalty generally doubles if the valuation is overstated by 200% or more or is attributable one or more “non-disclosed economic substance” transactions or to a gross valuation misstatement. In addition to these provisions, a 20% accuracy related penalty is imposed for listed or reportable transactions having a significant tax avoidance purpose. This penalty is increased to 30% if the transaction is not properly disclosed on the taxpayer’s federal income tax return. Failure to disclose such a transaction can also prevent the applicable statute of limitations from tolling in certain circumstances and can subject the taxpayer to additional disclosure penalties ranging from \$10,000 to \$200,000, depending on the facts of the transaction. Any interest attributable to unpaid taxes associated with a non-disclosed reportable transaction may not be deductible for federal income tax purposes.

Alternative Minimum Tax. The alternative minimum tax applies with respect to certain taxpayers to taxable income adjusted by designated items of tax preference. The limitations on the deduction of passive losses also apply for purposes of computing alternative minimum taxable income. Prospective Investors should consult with their own tax advisors concerning the applicability of the alternative minimum tax.

Medicare Tax. Section 1411 of the Code generally imposes on certain individuals, trusts, and estates an additional tax of 3.8% on the lesser of (i) “net investment income”, or (ii) the excess of modified adjusted gross income over a threshold amount. Prospective Investors should consult with their own tax advisors regarding the possible implications of the Medicare tax in light of their individual circumstances.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

ACQUISITION TERMS

Acquisition Terms

The Trust acquired the Properties during the period commencing October 29, 2025 through the Closing Date. The Trust acquired the Properties directly from its respective Sellers. The Properties are owned 100% by the Trust. The difference between the purchase price for the Properties and the \$52,785,000 Purchase Price for the Interests includes accountable reserves, transaction costs, legal fees, Offering costs, real estate and short-term equity financing costs (some of which are being paid to Affiliates of the Sponsor), acquisition fee to the Sponsor, Selling Commissions (as defined below), due diligence allowances, and related expenses. In conjunction with the purchase of the Properties, the Master Lessee became the lessor under the Tenants' leases.

Federal, state and local laws impose liability on a landowner for releases or the otherwise improper presence on the premises of hazardous substances. This liability is without regard to fault for, or knowledge of, the presence of such substances. A landowner may be held liable for hazardous materials brought onto the property before it acquired title and for hazardous materials that are not discovered until after it sells the property. Similar liability may occur under applicable state law. The Sellers have made no representations and warranties in the Properties Purchase Agreements regarding the presence or release of hazardous materials at or from the Properties. The Trust acquired the Properties on an "as is" basis. If losses arise from hazardous substance contamination that cannot be recovered from a responsible party, the financial viability of the Properties may be substantially affected. In an extreme case, the Properties may be rendered worthless or the Trust may be obligated to pay cleanup and other costs in excess of the value of the Properties.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

THE SPONSOR AND ITS MANAGEMENT

The Sponsor’s Management Team

The Manager, the Master Lessee and the Property Manager are all wholly owned by ExchangeRight. See also “Conflicts of Interest.” The following persons comprise the key management of ExchangeRight and hold the positions indicated below.

<u>Name</u>	<u>Position</u>	<u>Entity</u>
David Fisher	Manager	ExchangeRight
Joshua Ungerecht	Manager	ExchangeRight
Warren Thomas	Manager	ExchangeRight
David Van Steenis	Chief Financial Officer and Chief Investment Officer	ExchangeRight
Susana Dryden	Chief Compliance Officer and Chief People Officer	ExchangeRight
Kevin Steines	Chief Accounting Officer	ExchangeRight
Timothy Williams	Director of Asset Management and Senior Controller	ExchangeRight

David Fisher – Manager – *David Fisher* is a Founder and Manager of ExchangeRight Real Estate, LLC, a position he has held since 2012, and in that capacity serves as a director of the Company. David began his career with KPMG in the Tax department from 1993 to 1996, and then worked in tax, treasury, and acquisitions for Wells Fargo for over nine years from 1996 to 2005. He was North American Head of Asset and Structured Finance for HSBC’s Investment Banking division from 2005 to 2012. David and his banking teams executed international financings totaling in excess of \$8 billion. He graduated from the University of Northern Iowa in 1993, Magna Cum Laude in Accounting, and earned national honors with the Elijah Watt Sells Award on the May 1993 CPA exam. David is primarily responsible for the acquisition, asset management, and financing aspects of the businesses.

Joshua Ungerecht – Manager – *Joshua Ungerecht* is a Founder and Manager of ExchangeRight Real Estate, LLC, a position he has held since 2012, and in that capacity serves as a director of the Company. Together with Warren Thomas, Joshua has overseen the stewardship of over \$1.75 billion of client equity in commercial real estate investments since 2006. Joshua graduated from The Master’s College, Summa Cum Laude with a B.A. in Theology, Apologetics, and Missions, and is currently on leave from Talbot Graduate School, where he was pursuing an M.A. in Philosophy of Religion and Ethics. He also maintains Series 7, 22, 24, 63, 65, 66, and 79 Securities Licenses and an active California real estate broker license.

Warren Thomas, CPA – Manager – *Warren Thomas, CPA*, is a Founder and Manager of ExchangeRight Real Estate, LLC, a position he has held since 2012, and in that capacity serves as a director of the Company. Warren has over 40 years of experience as a Certified Public Accountant and has been an active commercial real estate investor for the past 30 years. Prior to focusing on the securitized 1031 exchange market in 2003, he developed an extensive tax practice including estate planning, financial planning, and real estate advisory services. He graduated in 1978 from Biola University with a B.S. in Business Administration, specializing in Accounting. He also earned a master’s degree in taxation from Golden Gate University in 1993. He maintains Series 6, 7, 22, 24, 39, 63, 66 and 79 Securities Licenses.

David Van Steenis, CFA, CPA – Chief Financial Officer and Chief Investment Officer – *David Van Steenis, CFA, CPA*, currently serves as Chief Financial Officer and Chief Investment Officer for ExchangeRight. David has held the position of Chief Financial Officer since 2015, and in that capacity also serves as the Chief Financial Officer and Chief Investment Officer of the Company. David also serves as the Chief Financial Officer of Telos Capital, LLC, a position he has held since 2015. David is focused on acquisitions including the analysis, legal, closing, and syndication functions of the business as well as the asset management departments and financial reporting for ExchangeRight and its affiliates. David began his career with KPMG in the financial services audit practice from 2007 to 2011, where he served both private and public banking and investment management clients. Most recently, David was with Kaufman Jacobs Real Estate Investments from 2011 to 2015 where he was involved in the investment acquisition, capital markets, and financial reporting aspects of their real estate private equity business. Mr. Van Steenis graduated from Trinity Christian College with highest honors with a B.S. in Accounting and a Finance concentration. David is a Certified Public Accountant and a CFA Charterholder.

Susana Dryden – Chief Compliance Officer and Chief People Officer – *Susana Dryden* currently serves as the Chief People Officer and Chief Compliance Officer for ExchangeRight. Susana has been with ExchangeRight since 2016, and also serves as the Chief People Officer of the Company. Susana is focused on the development, training and expansion of the firm's departments. Susana also serves as a Registered Principal and the Chief Compliance Officer for ERS, that oversees certain wholesale activities of ExchangeRight. Susana began her career in the industry in 2007 with JRW Investments, Inc., where she held the position of Director of Operations. In 2014, Susana was primarily responsible for forming the broker-dealer firm LCG which now oversees JRW Investments. She serves as a Registered Principal and CCO of these firms as well. Susana has been critical to the growth and development of ExchangeRight and its affiliate firms, and assists the various companies with their compliance and regulatory functions under FINRA and SEC rules.

Kevin Steines, CPA – Chief Accounting Officer – *Kevin Steines, CPA*, currently serves as Chief Accounting Officer for ExchangeRight, a position he has held since December 2020 and in that capacity serves as the Chief Accounting Officer of the Company. Kevin also serves as the Chief Accounting Officer of Telos Capital, LLC, a position he has held since December 2020. Prior to becoming Chief Accounting Officer of each company, Kevin served as the Controller of each company for over five years. Kevin is focused on the financial reporting functions of ExchangeRight and its affiliates. Prior to joining ExchangeRight, Kevin enjoyed a successful career in public accounting. He started his career at Gabelmann & Associates in their audit practice from 2006 to 2008. Kevin then spent seven years with Honkamp Krueger & Co, P.C. from 2008 to 2015, a regional CPA firm based out of Dubuque, IA. Kevin oversaw the day to day operations of the accounting and tax practice for one of Honkamp Krueger's satellite offices. His focus was on corporate and individual tax planning and preparation, financial statement preparation, general business consulting, strategic planning, and franchise services. Kevin graduated in 2006 from Ashford University with a B.S. in Business Administration and Accounting with a Finance concentration, where he was awarded Outstanding Accounting Student for his class. Kevin is a Certified Public Accountant.

Timothy Williams, CPA (inactive) — Director of Asset Management and Senior Controller — *Timothy Williams, CPA (inactive)*, currently serves as the Director of Asset Management and Senior Controller at ExchangeRight. He joined the company in 2021 as Senior Controller and expanded his role to oversee asset management in 2023. Timothy is focused on leading his team to proactively manage ExchangeRight's assets by overseeing tenant relations, strategic leasing initiatives, and stewardship of the physical properties. Timothy began his career at PricewaterhouseCoopers in the private company services audit practice, where he served family-owned and private equity-backed organizations in the Minneapolis, MN area. He later spent six years at McCoy Group, where he led the accounting function for the transportation division and contributed to strategic acquisitions and divestitures. Timothy holds both B.A. and Master degrees in Accounting from the University of Northern Iowa, graduating in 2013. He also earned national recognition with the prestigious Elijah Watt Sells Award for outstanding performance on the May 2013 CPA exam.

Other Key Personnel. The Manager has the exclusive authority to manage and control all aspects of the business of the Trust. In the course of its management, the Manager may, in its absolute discretion, employ such persons, including Affiliates of the Manager, as it deems necessary for the efficient operation of the Trust.

The Property Manager

The Master Lessee entered into a property management agreement with the Property Manager for the day-to-day management of the Properties; provided, however, the Property Manager may subcontract all or certain portions of the day-to-day management of the Properties with an unrelated, third-party professional management company or companies. The Property Manager's principal place of business is 9215 Northpark Drive, Johnston, IA 50131, and its telephone number is 855-379-8172.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

THE MANAGER

Generally

ExchangeRight Asset Management, LLC, a California limited liability company, is the manager of the Trust. See “Organization and Management.” ExchangeRight is the sole member of the Manager, the Master Lessee and the Property Manager. Accordingly, the Manager and the Property Manager are Affiliates owned by the same entity and, thus, any agreements between the parties are not the result of arm’s-length negotiations. See “Conflicts of Interest.” The Manager’s principal place of business is 1055 E. Colorado Blvd., Suite 310, Pasadena, CA 91106, Attn: Investor Relations and its telephone number is 855-379-8172.

Exclusive Authority

The Manager has the exclusive authority to manage and control all aspects of the Trust’s business, subject to certain limitations provided in the Trust Agreement. The Manager is specifically authorized to take each of the following actions with respect to the Trust: (i) acquire title to the Properties subject to the underlying Tenants’ leases; (ii) enter into the Master Lease with the Master Lessee; (iii) collect rents and make distributions to the Owners in accordance with the Trust Agreement; (iv) enter into any agreement for purposes of completing Section 1031 Exchanges of real property with a Qualified Intermediary as defined in Code Section 1031; (v) notify the relevant parties of any default by them under the Trust Agreement, the Master Lease or any other transaction documents; (vi) enter into a new Master Lease or other arrangement with respect to the Properties or finance debt on the Properties, but only if, with respect to any of the foregoing necessary due to the bankruptcy or insolvency of the Master Lessee; (vii) complete a LLC Conversion or Disposition of the Properties, as the case may be; and (viii) take actions necessary to conserve and protect the Trust Estate. The Manager may, in its sole discretion, employ such persons, including Affiliates of the Manager, as it deems necessary for the efficient operation of the Trust. See “The Trust and Summary of the Trust Agreement.”

The Manager may resign at any time by providing at least 60 days’ prior written notice to the Trust, and the Trust may remove the Manager for cause (as defined in the Trust Agreement) at any time by providing written notice to the Manager.

Reimbursement of Expenses

The Trust will reimburse the Manager for all reasonable expenses incurred in connection with performing its duties on behalf of the Trust.

Indemnity

The Trust will agree to hold the Manager, as its agent, harmless from any liability in connection with the Trust Agreement or any transaction or document contemplated thereby, except for willful misconduct, bad faith, fraud or gross negligence of the Manager and to the fullest extent permitted by law, advance to the Manager expenses incurred in its defense of any claims in connection with the Trust Agreement or any transaction or document contemplated thereby, subject to repayment in the event a court finds that the Manager was not entitled to indemnification. See “The Trust and Summary of the Trust Agreement.”

Compensation

The Property Manager entered into an asset management agreement with the Manager and shall pay the Manager an annual Asset Management Fee of 0.40% of the gross operating income of the Properties during the hold period. In addition, it is anticipated that the Manager will assist in marketing and selling the Properties, and thus, if the Manager provides such services, and if upon a Disposition of the Properties the gross proceeds of any Disposition including the return of any reserves are in excess of \$52,785,000 (in cash or in kind), the Manager will be entitled to receive a fee equal to 2.0% of the gross proceeds of any such Disposition of the Properties pursuant to the Trust Agreement, with such amount to be in addition to any payments to unrelated third-party real estate brokers that the

Trust hires to sell the Properties and any payments to buyer's brokers. See "Compensation of the Sponsor, the Manager and their Affiliates."

Limited Fiduciary Duty

The Manager will not owe any duties to the Owners other than those limited duties expressly set forth in the Trust Agreement. In performing its duties under the Trust Agreement, the Manager will only be liable to the Owners for willful misconduct, bad faith, fraud or gross negligence. If you have questions about the limited fiduciary duties of the Manager, you should consult your own legal counsel. See "Limited Fiduciary Duty" and "The Trust and Summary of the Trust Agreement."

THE MASTER LESSEE

Generally

ExchangeRight Net-Leased All-Cash 18 Master Lessee, LLC, a Delaware limited liability company, is the Master Lessee of the Properties. See "Organization and Management." The Master Lessee was formed on September 12, 2025 and, as such, has no operating history. The Sponsor is the sole member of the Master Lessee. The Master Lessee's principal place of business is ExchangeRight Net-Leased All-Cash 18 Master Lessee, LLC, 1055 E. Colorado Blvd., Suite 310, Pasadena, CA 91106, Attn: Investor Relations and its telephone number is 855-379-8172.

The Master Lessee is a newly formed Delaware limited liability company wholly owned by the Sponsor. The Master Lessee's rental payments are guaranteed by the Operating Partnership. Concurrently with the acquisition of the Properties, the Trust entered into the Master Lease with Master Lessee under which the Trust assigned to the Master Lessee all of the underlying Tenants leases and rents with respect to the Properties in exchange for the rental and other payments as provided under the Master Lease.

Rights and Duties of the Master Lessee

Pursuant to the terms of the Master Lease, the Master Lessee assumed all obligations and liabilities of the Trust with respect to the Tenants' leases on the Closing Date and will be entitled to receive all rent due from the Tenants thereunder. The Master Lessee has the sole and exclusive right to operate and maintain the Properties. The Master Lessee, at its sole cost and expense and without reimbursement or contribution from the Trust, other than reserve reimbursements, is required to keep, repair, and maintain the entire exterior and interior of the Properties in good condition and repair and in good compliance will all legal requirements. The Trust has no obligation for repairs, replacements, or maintenance of the Properties. See "The Master Lessee and the Summary of the Master Lease."

Indemnity

The Master Lessee agreed to indemnify the Trust, including the Owners, to the extent the Trust or an Owner becomes liable as a result of certain actions of the Master Lessee. See "The Master Lessee and the Summary of the Master Lease."

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

PRIOR PERFORMANCE OF THE SPONSOR AND ITS AFFILIATES

The Trust and the Master Lessee are all newly-formed entities with no operating history and the Manager is a recently-formed entity with limited operating history. The Key Principals of the Sponsor have been collectively engaged in the real estate business for over 70 years and during that time have consummated a significant amount of real estate transactions. See “Organization and Management.” The principal business of ExchangeRight and the Manager is the acquisition and management of investment property. ExchangeRight is a private real estate investment firm focused on the acquisition and investment management of single-tenant retail properties nationwide. The Key Principals directly oversee all investment functions, including acquisition due diligence, financing, asset management and dispositions. Affiliates of the Sponsor previously acquired or have under contract over \$6.8 billion of assets including more than 1,400 properties that total over 27 million square feet and are located in 48 different states.

Completed Prior Programs

Offering	Description	Program Offering Date	Targeted Annualized Return	Program Close Date	Actual Annualized Return	Investment Multiple
Net-Leased Preferred Equity Fund 1	Shorter-term fund to acquire and sell net-leased assets for the Sponsor.	4/30/2012	12%-20%	12/31/2016	12.93%	1.28X
Net-Leased Preferred Equity Fund 2	Shorter-term fund to acquire and sell net-leased assets for the Sponsor.	12/5/2014	8%-12%	7/25/2018	10.11%	1.24X
Net-Leased Preferred Equity Fund 3	Shorter-term fund to acquire and sell net-leased assets for the Sponsor.	7/27/2016	8.25%-9.75%	6/30/2023	8.37%	1.30X
Acquisition Notes	Company that issued short term debt capital to the Sponsor to acquire and sell net-leased assets.	6/1/2012	12%-14%	10/16/2017	12.00%	1.39X
Acquisitions Notes 2	Company that issued short term debt capital to the Sponsor to acquire and sell net-leased assets.	2/9/2015	10.00%	8/14/2020	10.00%	1.31X
Acquisition Notes 3	Company that issued short term debt capital to the Sponsor to acquire and sell assets.	7/1/2017	8.25%-10%	8/14/2020	10.00%	1.18X
Multifamily 1 – Van Mark Creek Apartments	One apartment community consisting of 144 units.	4/27/2015	7.16%	4/5/2019	7.27% - 8.84%	1.29X – 1.35X

Multifamily 2 – Mira Bella and San Martin Apartments	Two apartment communities consisting of 378 units.	7/31/2015	6.68%	11/13/2019	6.82% - 8.27%	1.29X – 1.33X
Multifamily 3 – Lakeside at Arbor Place Apartments	One apartment community consisting of 246 units.	7/1/2016	6.54%	9/12/2019	11.08% - 14.51%	1.35X – 1.46X
Multifamily 4 – North Austin Apartment Portfolio	Three apartment communities consisting of 442 units.	10/27/2016	6.52%	1/28/2021	6.80% - 9.71%	1.29X – 1.37X
Multifamily 5 – Crystal Lake Florida Apartments	One apartment community consisting of 224 units.	1/25/2017	6.44%	8/23/2019	8.51% - 12.55%	1.22X – 1.29X
Multifamily 6 – El Paso Apartment Portfolio	Two apartment communities consisting of 393 units in El Paso, Texas.	1/30/2018	5.96%	11/17/2021	14.52% - 17.91%	1.55X – 1.68X
Net-Leased Portfolio 1	Portfolio of two long-term net-leased properties leased to Family Dollar. One of the two properties sold in January 2015 and the other sold in August 2019.	4/5/2012	7.25%	8/29/2019	9.40% – 10.58%	1.46X – 1.51X
Net-Leased Portfolio 2	Portfolio of seven long- term net-leased properties leased to Family Dollar (6) and Dollar General (1).	9/1/2012	7.33%	9/26/2019	9.22% – 12.12%	1.65X – 1.79X
Net-Leased Portfolio 3	Portfolio of nine long-term net-leased properties leased to Family Dollar (8) and Dollar General (1).	2/8/2013	7.37%	9/29/2020	9.10% – 11.50%	1.69X – 1.88X
Net-Leased Portfolio 4	Portfolio of 11 long-term net-leased properties leased to Family Dollar (8), Dollar General (1), Aaron’s (1) and Advance Auto Parts (1).	9/23/2013	7.70%	3/30/2021	7.73% - 9.98%	1.58X – 1.74X
Net-Leased Portfolio 5	Portfolio of 14 long-term net-leased properties leased to Family Dollar (5), Dollar General (4), Advance Auto Parts (2),	2/4/2014	7.24%	12/9/2021	7.34% - 9.43%	1.57X – 1.72X

	AutoZone (1), Sherwin-Williams (1) and The Christ Hospital (1).					
Net-Leased Portfolio 6	Portfolio of 16 long-term net-leased properties leased to Family Dollar (3), Dollar General (8), Advance Auto Parts (1), AutoZone (1), CVS (1), Dollar Tree (1) and Tractor Supply (1).	5/9/2014	7.65%	4/1/2022	7.67% - 8.91%	1.60X – 1.68X
Net-Leased Portfolio 7	Portfolio of 16 long-term net-leased properties leased to Family Dollar (4), Dollar General (8), Advance Auto Parts (1), CVS (1), Napa Auto Parts (1), and O’Reilly Auto Parts (1).	9/24/2014	7.79%	2/9/2022	7.81% - 10.57%	1.57X – 1.76X
Net-Leased Portfolio 8	Portfolio of 13 long-term net-leased properties leased to Advance Auto Parts (3), AutoZone (2), CVS (1), Dollar General (2), Family Dollar (1), Franciscan Alliance (1), Ross Stores (1) and Tractor Supply (2).	2/2/2015	7.35%	10/15/2019	7.69% - 11.23%	1.36X – 1.51X
Net-Leased Portfolio 9	Portfolio of 22 long-term net-leased properties leased to Advance Auto Parts (4), AutoZone (4), CVS (1), Dollar General (9), Hobby Lobby (1), Napa Auto Parts (2) and TCF National Bank (1).	4/21/2015	7.24%	9/7/2022	7.25% - 8.27%	1.53X – 1.59X
Net-Leased Portfolio 10	Portfolio of 22 long-term net-leased properties leased to Advance Auto Parts (3), AutoZone (1), CVS (1), Dollar General (5), Dollar Tree (1), Family Dollar (4), Napa Auto Parts (2), O’Reilly Auto Parts (2), PNC Bank (1) and Tractor Supply (2).	9/3/2015	7.14%	10/27/2022	7.26% - 8.24%	1.52X – 1.58X

Net-Leased Portfolio 11	Portfolio of 17 long-term net-leased properties leased to Advance Auto Parts (3), CVS (1), Dollar General (5), Family Dollar (2), Hobby Lobby (1), Napa Auto Parts (3), Sherwin-Williams (1) and Walgreens (1).	12/4/2015	6.78%	8/31/2022	6.81% - 7.63%	1.46X – 1.51X
Net-Leased Portfolio 12	Portfolio of 19 long-term net-leased properties leased to Advance Auto Parts (3), Dollar General (9), Family Dollar (1), Fresenius Medical Care (1), Kroger (1), Napa Auto Parts (2), Tractor Supply (1), and Walgreens (1).	4/14/2016	6.30%	12/18/2019	7.01% - 11.30%	1.25X – 1.40X
Net-Leased Portfolio 13	Portfolio of 20 long-term net-lease properties leased to Advance Auto Parts (1), CVS (1), Dollar General (5), Family Dollar (4), Hobby Lobby (1), Napa Auto Parts (1), Sherwin-Williams (4), Tractor Supply (1) and Walgreens (2).	9/1/2016	6.80%	10/29/2020	7.35% - 10.74%	1.31X – 1.43X
Net-Leased Portfolio 14	Portfolio of 17 long-term net-lease properties leased to Advance Auto Parts (1), Athletico Physical Therapy (1), Dollar General (6), Fresenius Medical Care (2), MedSpring (1), Napa Auto Parts (1), O’Reilly Auto Parts (1), Tractor Supply (1) and Walgreens (3).	12/2/2016	6.55%	3/25/2021	6.77% - 10.73%	1.29X – 1.46X
Net-Leased Portfolio 15	Portfolio of 16 long-term net-lease properties leased to Advance Auto Parts (2), CVS (1), Dollar General (6), Family Dollar (1), Fresenius Medical Care (1), Goodwill (1), Hobby Lobby (1), Indianapolis Osteopathic Hospital (1) and Walgreens (2).	3/2/2017	6.53%	11/1/2021	6.54% - 10.82%	1.30X- 1.47X

Net-Leased Portfolio 16	Portfolio of 19 long-term net-lease properties leased to Advance Auto Parts (3), Dollar General (7), Family Dollar (1), Hobby Lobby (1), Sherwin-Williams (1), Tractor Supply (2) and Walgreens (4).	5/31/2017	6.79%	3/2/2022	7.08% - 11.25%	1.34X – 1.51X
Net-Leased Portfolio 17	Portfolio of 16 long-term net-leased properties leased to Advance Auto Parts (1), Dollar General (7), Goodwill (1), Pick ‘n Save (1), Napa Auto Parts (1), Tractor Supply (2), Verizon Wireless (1) and Walgreens (2).	8/10/2017	6.91%	6/24/2022	7.04% - 10.34%	1.34X – 1.49X
Net-Leased Portfolio 18	Portfolio of 17 long-term net-leased properties leased to Advance Auto Parts (1), CVS (1), Dollar General (6), Fresenius Medical Care (1), Hobby Lobby (1), Napa Auto Parts (1), Tractor Supply (2) and Walgreens (4).	11/10/2017	6.65%	7/26/2022	6.67% - 10.00%	1.31X – 1.46X
Net-Leased Portfolio 19	Portfolio of 21 long-term net-leased properties leased to Advance Auto Parts (2), CVS (1), Dollar General (9), Fresenius Medical Care (2), Hobby Lobby (1), Napa Auto Parts (2), Verizon Wireless (1) and Walgreens (3).	12/21/2017	6.78%	8/24/2022	6.93% - 10.29%	1.32X – 1.48X
Net-Leased Portfolio 21	Portfolio of 20 long-term net-leased properties leased to Advance Auto Parts (1), Dollar General (6), Fresenius Medical Care (3), Hobby Lobby (1), Napa Auto Parts (2), O’Reilly Auto Parts (1), Tractor Supply (3) and Walgreens (3).	4/9/2018	6.44%	9/14/2022	6.68% - 8.88%	1.30X – 1.38X
Net-Leased Portfolio 22	Portfolio of 15 long-term net-leased properties leased to BioLife Plasma Services (1), CVS (1), Dollar General (4), Family	6/7/2018	6.37%	8/31/2023	6.37% - 8.29%	1.34X – 1.42X

	Dollar (1), First Midwest Bank (1), Fresenius Medical Care (1), Pick 'n Save (1), Tractor Supply (2) and Walgreens (3).					
Net-Leased Portfolio 28	Portfolio of 23 long-term net-leased properties leased to Dollar General (6), Dollar Tree (1), Fresenius Medical Care (1), Hobby Lobby (2), O'Reilly (1), Pick 'n Save (2), Tractor Supply (2), and Walgreens (8).	7/10/2019	6.73%	11/19/2024	6.96% - 9.02%	1.35X – 1.48X

The return ranges presented above for the offerings that have been taken full cycle reflect the difference of whether an investment was made through a Broker-Dealer with upfront Selling Commissions and Expenses or through a RIA that did not have the upfront Selling Commissions and Expenses associated with the investment. Each Net-Leased Portfolio that has gone full cycle provided Investors with exit optionality to: (1) complete an exchange pursuant to Section 721 of the Code into the acquiring ExchangeRight REIT; (2) complete a Section 1031 Exchange; (3) cash out (not tax-deferred); or (4) any combination of the above exit options. There is no guarantee that this optionality will be available to future Delaware statutory trusts and are dependent on the ExchangeRight REIT's capital availability. The purchase price to Investors for these portfolios was the same regardless of which option they chose, however, certain portfolios and their Investors were provided an option to invest into the REIT's Operating Partnership at a discount to its then net asset value. Past performance does not guarantee future results.

Current Programs

Offering	Description	Program Offering Date	Targeted Annualized Return*	Actual Annualized Return
Essential Income REIT – Class I	Income REIT offering of an identified portfolio of single-tenant, net-leased properties with primarily investment-grade tenants.	2/28/2019	6.37%	6.37%
Essential Income REIT – Class D	Income REIT offering of an identified portfolio of single-tenant, net-leased properties with primarily investment-grade tenants.	6/10/2025	6.12%	6.12%
Essential Income REIT – Class A	Income REIT offering of an identified portfolio of single-tenant, net-leased properties with primarily investment-grade tenants.	4/16/2019	5.99%	5.99%

Essential Income REIT – Class S	Income REIT offering of an identified portfolio of single-tenant, net-leased properties with primarily investment-grade tenants.	4/3/2022	5.29%	5.29%
Essential Income REIT – Class ER-I	Income REIT offering of an identified portfolio of single-tenant, net-leased properties with primarily investment-grade tenants.	6/13/2024	6.37%	6.37%
Essential Income REIT – Class ER-D	Income REIT offering of an identified portfolio of single-tenant, net-leased properties with primarily investment-grade tenants.	7/7/2025	6.12%	6.12%
Essential Income REIT – Class ER-A	Income REIT offering of an identified portfolio of single-tenant, net-leased properties with primarily investment-grade tenants.	6/13/2024	5.99%	5.99%
ExchangeRight Essential Income 1	All-cash offering of a portfolio of 13 net-leased properties leased to Dollar General (8), Dollar Tree (1), Family Dollar (3), and Napa Auto Parts (1).	11/7/2024	5.00%	5.00%
ExchangeRight Essential Income 3	All-cash offering of a portfolio of seven net-leased properties leased to AutoZone (2), Dollar General (2), Dollar Tree (1), Tractor Supply (1), and Truist Bank (1).	4/14/2025	5.50%	5.50%
ExchangeRight Essential Income 4	All-cash offering of a portfolio of eight net-leased properties leased to Advance Auto Parts (2), CVS (1), Dollar General (4) and Sprouts Farmers Market (1).	6/18/2025	5.50%	5.50%
ExchangeRight Essential Income 5	All-cash offering of a portfolio of seven net-leased properties leased to Dollar General (3), Hy-Vee (1), and Tractor Supply (3).	8/22/2025	5.50%	5.50%
ExchangeRight Essential Income 6	All-cash offering of a portfolio of five net-leased properties leased to CVS (1), Dollar General (2), Quest Diagnostics (1) and Verizon (1).	10/16/2025	5.50%	5.50%

ExchangeRight Tax-Efficient Growth and Income Fund	Fund to invest in the ExchangeRight REIT to primarily participate in its income, growth potential, and tax-efficiency benefits.	3/19/2024	6.00%	6.00%
Net-Leased Preferred Equity Fund 4	Shorter-term fund to acquire and sell net-leased assets for the Sponsor.	11/28/2018	7.00%	7.00%
Net-Leased Preferred Equity Fund 5	Shorter-term fund to acquire and sell net-leased assets for the Sponsor.	10/15/2020	5.25%	5.25%
Net-Leased Preferred Equity Fund 6	Shorter-term fund to acquire and sell net-leased assets for the Sponsor.	9/15/2025	5.25% - 6.50%	5.25% - 6.50%
Net-Leased Preferred Equity Income Fund	Preferred equity investment to acquire single-tenant, net-leased properties with primarily investment-grade tenants.	4/4/2019	6.95%	6.95%
Net-Leased Portfolio 20	Portfolio of 16 long-term net-leased properties leased to Advance Auto Parts (3), BioLife Plasma Services (1), Dollar General (4), Fresenius Medical Care (1), Napa Auto Parts (1), a Pick 'n Save (1), Tractor Supply (2), Verizon Wireless (1) and Walgreens (2).	2/22/2018	6.92%	6.92%
Net-Leased Portfolio 23	Portfolio of 24 long-term net-leased properties leased to Advance Auto Parts (2), AutoZone (2), Dollar General (8), Family Dollar (2), GIANT Food Store (1), Tractor Supply (2) and Walgreens (7).	8/28/2018	6.27%	6.39%
Net-Leased Portfolio 24	Portfolio of 24 long-term net-leased properties leased to Advance Auto Parts (2), BioLife Plasma Services (2), CVS (1), Dollar General (5), Dollar Tree (1), Fresenius Medical Care (1), Pick 'n Save (1), Sherwin-Williams (1), Tractor Supply (3) and Walgreens (7).	10/23/2018	6.50%	6.50%
Net-Leased Portfolio 25	Portfolio of 21 long-term net-leased properties leased to	12/20/2018	6.40%	6.45%

	BioLife Plasma Services (2), Dollar General (8), Family Dollar (2), Hobby Lobby (1), Hy-Vee (1), Tractor Supply (3) and Walgreens (4).			
Net-Leased Portfolio 26	Portfolio of 19 long-term net-leased properties leased to Advance Auto Parts (1), AutoZone (1), CVS (1), Dollar General (5), Hy-Vee (1), Pick ‘n Save (1), Tractor Supply (4), and Walgreens (5).	3/6/2019	6.35%	6.36%
Net-Leased Portfolio 27	Portfolio of 18 long-term net-leased properties leased to Advance Auto Parts (1), BioLife Plasma Services (1), Dollar General (4), Dollar Tree (1), Hy-Vee (1), O’Reilly Auto Parts (2), Pick ‘n Save (1), Tractor Supply (1), and Walgreens (6).	5/7/2019	6.55%	6.55%
Net-Leased Portfolio 29	Portfolio of 24 long-term net-leased properties leased to BioLife Plasma Services (1), CVS (1), Dollar General (10), Fresenius Medical Care (2), Hobby Lobby (1), Tractor Supply (2), and Walgreens (7).	9/5/2019	7.13%	7.20%
Net-Leased Portfolio 30	Portfolio of 21 long-term net-leased properties leased to AutoZone (1), Dollar General (8), Fresenius Medical Care (1), Giant Eagle (1), Hobby Lobby (1), Tractor Supply (4), and Walgreens (5).	10/23/2019	7.10%	7.15%
Net-Leased Portfolio 31	Portfolio of 25 long-term net-leased properties leased to Advance Auto Parts (1), BioLife Plasma Services (1), CVS (4), Dollar General (7), Giant Eagle (1), Hobby Lobby (2), Hy-Vee (1), Tractor Supply (5), and Walgreens (3).	12/9/2019	6.91%	6.95%
Net-Leased Portfolio 32	Portfolio of 27 long-term net-leased properties leased to Advance Auto Parts (1), BioLife Plasma Services (1), CVS (7), Dollar General (7), Fresenius Medical Care (2), Hobby Lobby	2/11/2020	6.96%	6.97%

	(2), Tractor Supply (4), and Walgreens (3).			
Net-Leased Portfolio 33	Portfolio of 11 long-term net-leased properties leased to Dollar General (7), Tractor Supply (2) and Walgreens (2).	3/24/2020	5.22%	5.22%
Net-Leased Portfolio 34	Portfolio of 4 long-term net-leased properties leased to Ballad Health (1), Dollar General (1), FedEx (1) and Walgreens (1).	4/30/2020	5.42%	5.42%
Net-Leased Portfolio 35	Portfolio of 4 long-term net-leased properties leased to Tractor Supply (2) and Walgreens (2).	6/17/2020	6.10%	6.10%
Net-Leased Portfolio 36	Portfolio of 2 long-term net-leased properties leased to Pick ‘n Save (2).	7/1/2020	6.21%	6.21%
Net-Leased Portfolio 37	Portfolio of 11 long-term net-leased properties leased to CVS (1), Dollar General (2), Dollar Tree (1), Fresenius Medical Care (4), Tractor Supply (1) and Walgreens (2).	7/10/2020	6.30%	6.30%
Net-Leased Portfolio 38	Portfolio of 13 long-term net-leased properties leased to CVS (2), Dollar General (7), Pick ‘n Save (1), Tractor Supply Co. (2) and Walgreens (1).	7/29/2020	6.32%	6.33%
Net-Leased Portfolio 39	Portfolio of 18 long-term net-leased properties leased to BioLife Plasma Services (1), Dollar General (7), Dollar Tree (2), Giant Eagle (1), Pick ‘n Save (1), Tractor Supply (2) and Walgreens (4).	9/2/2020	6.44%	6.46%
Net-Leased Portfolio 40	Portfolio of 21 long-term net-leased properties leased to AutoZone (1), CVS (5), Dollar General (5), Dollar Tree (1), Kroger (1), O’Reilly Auto Parts (1), Sherwin-Williams (1), Tractor Supply (2) and Walgreens (4).	10/19/2020	6.31%	6.36%
Net-Leased Portfolio 41	Portfolio of 18 long-term net-leased properties leased to	11/24/2020	6.56%	6.59%

	BioLife Plasma Services (2), CVS (1), Dignity Health (1), Dollar General (4), Dollar Tree (1), Fresenius Medical Care (1), Hobby Lobby (1), Natural Grocers (1), Tractor Supply (2), Walgreens (2) and Walmart Neighborhood Market (2).			
Net-Leased Portfolio 42	Portfolio of 14 long-term net-leased properties leased to CVS (1), Dollar General (3), Family Dollar (2), Fresenius Medical Care (1), Tractor Supply (1), Walgreens (4) and Walmart Neighborhood Market (2).	12/22/2020	6.34%	6.37%
Net-Leased Portfolio 43	Portfolio of 16 long-term net-leased properties leased to Dollar Tree (1), Fresenius Medical Care (2), Lowe's (1), M&T Bank (1), Natural Grocers (1), Sherwin-Williams (3), Tractor Supply (2), Walgreens (4) and Whole Foods Market (1).	2/9/2021	6.13%	6.18%
Net-Leased Portfolio 44	Portfolio of 5 long-term net-leased properties leased to Dollar General (2), Natural Grocers (2), and Walgreens (1).	2/16/2021	5.22%	5.25%
Net-Leased Portfolio 45	Portfolio of 17 long-term net-leased properties leased to BioLife Plasma Services (2), Dollar General (5), Family Dollar (1), Fresenius Medical Care (3), Sherwin-Williams (4), Tractor Supply (1) and Walgreens (1).	3/22/2021	6.44%	6.44%
Net-Leased Portfolio 46	Portfolio of 16 long-term net-leased properties leased to CVS (2), Dollar General (2), Dollar Tree (3), Family Dollar (1), Fresenius Medical Care (2), Giant Foods (1), PNC Bank (1), Publix Super Market (1) and Walgreens (3).	4/30/2021	6.35%	6.36%
Net-Leased Portfolio 47	Portfolio of 12 long-term net-leased properties leased to Branch Banking and Trust Company (1), Dollar General (2), Dollar Tree (2), Fresenius	6/4/2021	6.17%	6.17%

	Medical Care (1), Giant Eagle (1), Kroger (1), Napa Auto Parts (1), Verizon Wireless (1), Walgreens (1) and Walmart Supercenter (1).			
Net-Leased Portfolio 48	Portfolio of 21 long-term net-leased properties leased to CVS (3), Dollar General (5), Dollar Tree (1), First Midwest Bank (3), Food 4 Less (1), Fresenius Medical Care (1), Memorial Health System (1), Sherwin-Williams (1), Verizon Wireless (1) and Walgreens (4).	6/30/2021	6.28%	6.28%
Net-Leased Portfolio 49	Portfolio of 28 long-term net-leased properties leased to the following 29 tenants CVS (1), Dollar General (15), Dollar Tree (1), Fresenius Medical Care (1), Hobby Lobby (2), Octapharma Plasma (1), Pick ‘n Save (1), Valspar (1), Verizon Wireless (1) and Walgreens (5).	8/12/2021	6.38%	6.40%
Net-Leased Portfolio 50	Portfolio of 30 long-term net-leased properties leased to CVS (1), Dollar General (7), Dollar Tree (2), Family Dollar (2), First Midwest Bank (4), Fresenius Medical Care (1), Octapharma Plasma (2), Publix (1), Sherwin-Williams (2), Walgreens (5) and WellMed (3).	9/10/2021	6.23%	6.25%
Net-Leased Portfolio 51	Portfolio of 24 long-term net-leased properties leased to 27 tenants as follows: Bank of America (2), Citizens Bank (1), Dollar General (7), Dollar Tree (1), Family Dollar (2), Fresenius Medical Care (1), Hy-Vee (1), O’Reilly Auto Parts (1), Sherwin-Williams (1), Tractor Supply (1), Verizon Wireless (1), Walgreens (6) and WellMed (2).	10/27/2021	6.22%	6.22%
Net-Leased Portfolio 52	Portfolio of 26 long-term net-leased properties leased to CVS (3), Dollar General (5), Dollar Tree (1), Family Dollar (2), First Midwest Bank (3), Fresenius Medical Care (1), Hobby Lobby (1), Natural Grocers (1),	11/30/2021	6.12%	6.12%

	Octapharma (1), Sam's Club (1), Tractor Supply (2), and Walgreens (5).			
Net-Leased Portfolio 53	Portfolio of 25 long-term net-leased properties leased to CVS (1), Dollar General (7), Dollar Tree (3), Family Dollar (1), Kroger (1), Schnucks (1), Sherwin-Williams (2), Walgreens (7), Webster Bank (1) and WellMed (1).	12/22/2021	5.77%	5.82%
Net-Leased Portfolio 54	Portfolio of 36 long-term net-leased properties leased to 37 tenants as follows: Bank of America (1), CVS (3), Dollar General (12), Dollar Tree (3), Family Dollar (4), Fresenius Medical Care (1), Hannaford Grocery (1), Kum & Go (1), Market 32 (1), Novant Health (2), Price Chopper (1), Sherwin-Williams (2), Tractor Supply (3) and Walgreens (2).	2/18/2022	5.67%	5.67%
Net-Leased Portfolio 55	Portfolio of 34 long-term net-leased properties leased to 7-Eleven (1), Citizens (1), CVS (3), Dollar General (7), Dollar Tree (1), Family Dollar (1), Huntington Bank (1), Napa Auto Parts (1), O'Reilly Auto Parts (2), Pick 'n Save (1), PNC Bank (2), Publix (1), Schnucks (1), Sherwin-Williams (2), U.S. Bank (3) and Walmart Neighborhood Market (6).	4/8/2022	5.07%	5.07%
Net-Leased Portfolio 56	Portfolio of 33 long-term net-leased properties leased to CVS Pharmacy (9), Dollar General (4), Dollar Tree (1), Family Dollar (7), Food Lion (1), Hobby Lobby (3), O'Reilly (2), PNC Bank (1), Scheels All Sports (1), Sherwin-Williams (1), TJ Maxx (1), Walgreens (1), Woods Supermarket (1).	6/21/2022	4.42%	4.42%
Net-Leased Portfolio 57	Portfolio of 6 long-term net-leased properties leased to Fresenius Medical Care (1), Kroger (2), Kroger Fuel Station	7/29/22	5.04%	5.04%

	(1), Walgreens (2), Wegmans Food Market (1).			
Net-Leased Portfolio 58	Portfolio of 25 long-term net-leased properties leased to Aldi (1), CVS Pharmacy (2), Dollar General (6), Dollar Tree (8), Family Dollar (3), Family Dollar and Dollar Tree combo store (1), Hobby Lobby (1), Huntington Bank (1), Walgreens (2).	8/31/2022	5.01%	5.01%
Net-Leased Portfolio 59	Portfolio of 15 long-term net-leased properties leased to CVS Pharmacy (2), Dollar General (5), Dollar Tree (3), Fresenius Medical Care (1), Mariano's (1), Tractor Supply (1), Walgreens (2)	10/13/2022	4.97%	4.97%
Net-Leased Portfolio 60	Portfolio of 14 long-term net-leased properties leased to 16 tenants as follows: BioLife Plasma Services (1), CVS (1), Dollar General (3), Dollar Tree (3), Family Dollar (2), GIANT Company (1), Hobby Lobby (1), Inspira Health Network (1), ShopRite (2) and ShopRite Liquor (1)	12/7/2022	4.90%	4.90%
Net-Leased Portfolio 61	Portfolio of 16 long-term net-leased properties leased to AutoZone (1), BioLife Plasma Services (1), CVS (3), Dollar General (1), Dollar General Market (1), Dollar Tree (1), Family Dollar (3), Giant Eagle (1), Giant Food (1), Metro Market (1), Tractor Supply (1) and UnityPoint Health (1)	1/20/23	5.06%	5.06%
Net-Leased Portfolio 62	Portfolio of 17 long-term net-leased properties leased to BioLife Plasma Services (1), CVS (1), Dollar General (9), Family Dollar (2), FedEx (1), Food Lion (1), Fresenius Medical Care (1) and Pick 'n Save (1)	3/14/23	5.04%	5.04%
Net-Leased Portfolio 63	Portfolio of 15 long-term net-leased properties leased to BioLife Plasma Services (1),	5/24/23	5.03%	5.03%

	Daybreak Market & Fuel (1), Dollar General (6), Dollar General Plus (1), Dollar Tree (2), FedEx (1), Schnucks (1), Tops Friendly Market (1) and Tractor Supply (1)			
Net-Leased Portfolio 64	Portfolio of 15 long-term net-leased properties leased to Dollar General (5), Dollar General Plus (1), Family Dollar/Dollar Tree Combo (2), FedEx (1), Hobby Lobby (1) and Tractor Supply (5)	8/11/23	5.04%	5.04%
Net-Leased Portfolio 65	Portfolio of 13 long-term net-leased properties leased to Dollar General (6), Dollar Tree (1), Family Dollar (1), FedEx (1) and Tractor Supply (4)	10/30/23	5.01%	5.01%
Net-Leased Portfolio 66	Portfolio of 11 long-term net-leased properties leased to Dollar General (4), Dollar Tree (2), Family Dollar/Dollar Tree Combo (1), FedEx (1), Hy-Vee (1), Stop & Shop (1) and Tractor Supply (1)	1/17/24	5.01%	5.01%
Net-Leased Portfolio 67	Portfolio of 8 long-term net-leased properties leased to Bank of America (1), BJC HealthCare (1), Dollar Tree (1), Family Dollar/Dollar Tree Combo (1), FedEx (1), Metro Market (1), and Tractor Supply (2)	6/11/24	5.05%	5.05%
Net-Leased Portfolio 68	Portfolio of 16 long-term net-leased properties leased to Dollar General (1), Dollar General Market (2), Dollar Tree (4), FedEx (1), O'Reilly Auto Parts (2), Sherwin-Williams (1) and Tractor Supply (5)	8/22/24	5.00%	5.00%
Net-Leased Portfolio 69	Portfolio of 11 long-term net-leased properties leased to Dollar General Plus (2), Dollar Tree (4), Kroger (1), Sherwin-Williams (1) and Tractor Supply (3)	1/14/25	5.00%	5.00%
Net-Leased Portfolio 70	Portfolio of 15 long-term net-leased properties leased to Daybreak Market & Fuel (1),	4/29/25	5.00%	5.00%

	Dollar General (2), Dollar General Market (1), Dollar Tree (6), Sherwin-Williams (1) and Tractor Supply (4)			
Net-Leased Portfolio 71	Portfolio of 12 long-term net-leased properties leased to Aldi (1), Conviva (1), Dollar General Market (2), Dollar Tree (1), Memorial Hermann (1), Natural Grocers (2), Oak Street Health (1), O'Reilly (1), Verizon (1), and WaWa (1)	7/28/25	5.00%	5.00%
Net-Leased Portfolio 72	Portfolio of 15 long-term net-leased properties leased to AutoZone (1), Dollar General (5), Dollar General Market (1), Dollar Tree (2), Sutter Healthcare (1), Tractor Supply (4), and Wild Fork Foods (1)	9/30/25	5.00%	5.00%
Essential Grocery	All-cash offering of a long-term net-leased property to Shoprite in Uniondale, NY.	7/26/2022	4.16%	4.16%
Net-Leased High LTV 1 DST	Portfolio of two long-term net-leased properties leased to CVS Pharmacy (1) and Dollar General (1).	8/25/2022	4.00%	4.00%
Net-Leased High LTV 2 DST	Portfolio of two long-term net-leased properties leased to Dollar General (2) and SSM Health Care System (1).	11/18/2022	0.19%	0.19%
Value-Add Portfolio 1	Portfolio of five 99-year ground leasehold interests in certain in-line retail space properties and outparcel retail spaces shadow-anchored by national grocery stores (not included in the offering) diversified across the Eastern U.S.	9/24/2021	5.75%	6.15%
Value-Add Portfolio 2	Portfolio of two fee simple interests and ten 99-year ground leasehold interests for an aggregate of 12 property interests in certain in-line retail space properties and outparcel retail spaces shadow-anchored by national grocery and retail tenants (not included in the offering) diversified across 12	6/10/2022	5.35%	5.44%

	shopping center properties across the United States.			
Value-Add Portfolio 3	Portfolio of eight fee and/or 99-year ground leasehold interests in certain in-line retail space properties and outparcel retail spaces shadow-anchored by national grocery and retail tenants (not included in the offering) diversified across eight shopping center properties across the United States.	6/5/2023	5.35%	5.40%
All-Cash	All-cash offering of a portfolio of 2 long-term net-leased properties to Family Dollar/Dollar Tree Combo (1) and Tractor Supply (1)	9/18/2023	5.12%	5.12%
Net-Leased All-Cash 2	All-cash offering of a portfolio of 4 long-term net-leased properties to BioLife Plasma Services (1), Dollar General (1), Dollar Tree (1) and Tractor Supply (1)	11/30/2023	5.18%	5.18%
Net-Leased All-Cash 3	All-cash offering of a portfolio of 3 long-term net-leased properties to Daybreak Market & Fuel (1), Dollar General (1), and Dollar Tree (1).	3/5/2024	5.15%	5.15%
Net-Leased All-Cash 4	All-cash offering of a portfolio of 3 long-term net-leased properties leased to Daybreak Market & Fuel (1), Dollar Tree (1), and Tractor Supply (1)	4/12/2024	5.15%	5.15%
Net-Leased All-Cash 5	All-cash offering of a portfolio of 4 long-term net-leased properties leased to Dollar General (2), Dollar Tree (1), and GIANT Company (1)	5/22/2024	5.15%	5.30%
Net-Leased All-Cash 6	All-cash portfolio of 3 long-term net-leased properties leased to Daybreak Market & Fuel (1), Dollar General Market (1), and Tractor Supply (1)	7/9/2024	5.15%	5.20%
Net-Leased All-Cash 7	All-cash portfolio of 3 long-term net-leased properties leased to BioLife Plasma Services (1),	8/5/2024	5.22%	5.22%

	Dollar Tree (1), and Tractor Supply (1).			
Net-Leased All-Cash 8	All-cash offering of a portfolio of 3 long-term net-leased properties leased to Daybreak Market & Fuel (1), Dollar Tree (1) and Tractor Supply (1).	9/30/2024	5.20%	5.20%
Net-Leased All-Cash 9	All-cash offering of a portfolio of 5 long-term net-leased properties leased to Dollar General Market (1), Dollar Tree (2) and Tractor Supply (2).	10/23/2024	5.20%	5.20%
Net-Leased All-Cash 10	All-cash offering of a portfolio of 5 long-term net-leased properties leased to Dollar General Market (1), Dollar Tree (1), Hobby Lobby (1) and Tractor Supply (2).	11/15/2024	5.20%	5.20%
Net-Leased All-Cash 11	All-cash offering of a portfolio of 6 long-term net-leased properties leased to Dollar General Market (2), Reasor's (1), Sherwin-Williams (1) and Tractor Supply (2).	11/26/2024	5.20%	5.20%
Net-Leased All-Cash 12	All-cash offering of a portfolio of 6 long-term net-leased properties leased to Dollar Tree (2), Sherwin-Williams (1), St. Luke's Health Center (1) and Tractor Supply (2).	2/5/2025	5.22%	5.22%
Net-Leased All-Cash 13	All-cash offering of a portfolio of 6 long-term net-leased properties leased to Dollar Tree (3), Reasor's (1) and Tractor Supply (2).	3/27/2025	5.20%	5.20%
Net-Leased All-Cash 14	All-cash offering of a portfolio of 4 long-term net-leased properties leased to the following 5 tenants: Dollar General (2), Dollar Tree (1), Tractor Supply (1) and Wawa (1).	5/14/2025	5.20%	5.20%
Net-Leased All-Cash 15	All-cash offering of a portfolio of 5 long-term net-leased properties leased to Dollar General Market (1), Dollar General (1), Dollar Tree (1),	6/26/2025	5.20%	5.20%

	Hobby Lobby (1) and Napa Auto Parts (1).			
Net-Leased All-Cash 16	All-cash offering of a portfolio of 4 long-term net-leased properties leased to Dollar General Market (1), Hy-Vee (1), Sprouts Farmers Market (1) and Tractor Supply (1).	8/28/2025	5.08%	5.08%
Net-Leased All-Cash 17	All-cash offering of a portfolio of 6 long-term net-leased properties leased to Dollar Tree (1), Hobby Lobby (1), Sprouts Farmers Market (1), Tractor Supply (2) and WellMed (1).	9/30/2025	5.15%	5.15%

*Target annualized returns are presented as of the initial DST offering memorandum date that was released related to each respective DST offering. REIT target returns are based on the current distribution targets for each share class.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

COMPENSATION OF THE SPONSOR, THE MANAGER AND THEIR AFFILIATES

The following is a general description of the reimbursement and compensation that the Sponsor, the Manager and their Affiliates currently expect to receive in connection with this Offering or the management of the Trust, including the Properties. ExchangeRight is the sole member of the Manager, the Master Lessee and the Property Manager. The agreements between the Trust, the Sponsor and the Manager are not the result of arm’s-length negotiations, and they should not be considered as such. Certain conflicts of interest may arise between these entities and the Owners. See “Conflicts of Interest.”

Form of Compensation	Description	Estimated Amount of Compensation
Offering and Organization Stage:		
Syndication Costs:	The Sponsor or third parties will receive a nonaccountable fee of \$90,000 (approximately 0.17% of the Maximum Offering Amount) to pay for syndication costs of the Offering, including costs for preparation and printing of the Offering materials and documents, “Blue Sky” costs, sales and marketing expenses and various other costs associated with the Offering. See “Estimated Use of Proceeds.”	\$90,000.
Organizational & Offering Costs:	The Sponsor will be reimbursed on a nonaccountable basis for out-of-pocket expenses incurred in connection with the Offering and the organization of the Trust, including, but not limited to, single purpose entity formation, legal and accounting fees, marketing expenses, and other costs and expenses directly related to the Offering and organization of the Trust, all of which are being initially paid by the Sponsor. The Sponsor anticipates that the expenses incurred in connection with the Offering and the organization of the Trust will not be greater than \$158,355 (0.30% of the Maximum Offering Amount). The Sponsor will be responsible for any such fees in excess of these sums and will be entitled to retain any unused funds on a nonaccountable basis.	\$158,355.
Equity Finance Costs:	\$1,484,151 in equity financing costs payable to third parties and Affiliates of the Sponsor in connection with various equity and debt financing agreements associated with acquiring the Properties. The Trust and its investors are not subject to any additional costs, exposure, or short term equity financing arrangement risks related to these equity and debt financing arrangements. The Sponsor will be responsible for any such fees in excess of these sums and will be	The amount cannot be determined at this time.

Form of Compensation	Description	Estimated Amount of Compensation
	entitled to retain any unused funds on a nonaccountable basis. See “Estimated Use of Proceeds.”	
Redemption of Class 2 Interests:	A portion of the proceeds of this Offering will be used to redeem, on a one-for-one basis, the 100 Class 2 beneficial ownership interests in the Trust issued to the Sponsor in order to form the Trust (which Class 2 interests are currently the only outstanding ownership interests in the Trust). Upon the sale of the Interests, no Class 2 interests will remain outstanding. None of the Sponsor or its Affiliates will own any Class 1 interests. The Sponsor currently does not plan to close this Offering until all the Interests are sold and all the Class 2 interests are redeemed.	Approximately \$11,139.01 paid to the Sponsor per Class 2 interest for aggregate amount of \$1,113,901.
Reallowance of Acquisition Fee:	ERS, the Managing Broker-Dealer of the offering, has been engaged to oversee the wholesaling activities of ExchangeRight’s Senior Vice Presidents of Sales, National Account Director, and President of Strategic Relations to the extent that these activities involve direct interaction with retail investors and up to approximately \$1,319.63 may be paid for each Class 1 beneficial ownership interest sold up to a maximum of \$131,963 (0.25%) of the gross proceeds of the Offering of Interests; provided, however, any such fees that are not paid to ERS will be retained by the Sponsor on a nonaccountable basis.	Up to \$1,319.63 for each Class 1 beneficial ownership interest sold.
ERS Selling Commissions:	ERS, the Managing Broker-Dealer of the offering, an Affiliate of the Trust and the Sponsor, has been engaged to oversee the sale of the Sponsor’s real estate offerings and shall be paid \$131,963 (0.25%) of the gross proceeds of the Offering of Interests as part of the Selling Commissions.	Up to \$1,319.63 for each Class 1 beneficial ownership interest sold.
Operating Distributions:	Until the closing of this Offering and all the Interests have been sold, the Sponsor and the respective equity finance investors will receive their pro rata portion of any cash available for distribution from the operation of the Properties.	The amount cannot be determined at this time.
Transacting Broker-Dealer Fee to ERS:	ERS, an Affiliate of the Sponsor, may act as the Broker-Dealer of record for RIAs in	The amount cannot be determined at this time.

Form of Compensation	Description	Estimated Amount of Compensation
	connection with any investment in the Trust, and in such cases, ERS is eligible to receive 0.50% of the Offering Proceeds in consideration for its role as Broker-Dealer of record for such transactions.	
Real Estate Commissions:	JRW Realty, Inc., a licensed real estate broker and an Affiliate of the Sponsor, earned \$445,519 in real estate commissions for the services it provided in connection with the initial identification and subsequent purchase of the Properties by the Sponsor. A portion of such funds will be reallocated to ExchangeRight. Any such funds earned by JRW Realty, Inc. are paid by property sellers as part of their brokerage costs, and not the Trust.	Up to \$445,519.
Selling Commissions and Expenses:	Principals of the Manager of the Trust may also be acting as a prospective Investor's registered representative or registered supervisor (or both), in which case they may receive Selling Commissions and Expenses as a result of their sales efforts with respect to the Interests.	The amount cannot be determined at this time.
Operating Stage:		
Reimbursement of Manager's Expenses:	The Trust will reimburse the Manager for all reasonable expenses incurred in connection with performing its duties on behalf of the Trust.	The amount cannot be determined at this time. See "Pro Forma Rent and Cash Flow for the Properties" attached hereto as Exhibit G.
Property Management Fee:	The Master Lessee entered into a property management agreement with the Property Manager, which is wholly owned by the Sponsor, for the day-to-day management of the Properties for an annual Property Management Fee of 2.90% of the gross operating income of the Properties; of which 0.40% will be assigned to the Manager as the asset management fee and, thus, the Property Manager will receive a fee of 2.50% of the gross operating income of the Properties.	The amount cannot be determined at this time. See "Pro Forma Rent and Cash Flow for the Properties" attached hereto as Exhibit G.
Asset Management Fee:	The Property Manager entered into an asset management agreement with the Manager and shall pay the Manager an annual Asset Management Fee of 0.40% of the gross operating income of the Properties during the hold period.	The amount cannot be determined at this time. See "Pro Forma Rent and Cash Flow for the Properties" attached hereto as Exhibit G.

Form of Compensation	Description	Estimated Amount of Compensation
Master Lease Operating Profit:	The Master Lessee will retain operating revenues from the Properties that exceed the Annual Base Rent due to the Trust under the Master Lease.	The amount cannot be determined at this time.
Liquidation:		
Disposition Fee:	It is anticipated that the Manager will assist in marketing and selling the Properties, and thus, if the Manager provides such services, and if upon a Disposition of the Properties the gross proceeds of any Disposition including the return of any reserves are in excess of \$52,785,000 (in cash or in kind), the Manager will be entitled to receive a fee equal to 2.0% of the gross proceeds of any such Disposition of the Properties pursuant to the Trust Agreement, with such amount to be in addition to any payments to unrelated third-party real estate brokers that the Trust hires to sell the Properties and any payments to buyer's brokers.	The amount cannot be determined at this time.

If the LLC Conversion occurs, the Sponsor, the Manager or an Affiliate thereof will be the Managing Member of the LLC. The Managing Member may receive certain fees or compensation for services performed on behalf of the LLC, including for serving as the Managing Member, which compensation shall not exceed the then customary rate for similar services. The Sponsor will not be involved in any manner with the Trust or the Properties after the close of the Offering (except as a result of its relationship to the Manager and the Master Lessee) and will receive no further compensation.

The fees received by the Manager are based on a fixed monthly payment, whereas the distributions made to the Owners are based on the Trust's net profits and are paid after expenses, taxes and other costs. The Trustee will receive a flat fee, which is \$750 per annum. The Trust shall pay a \$750 annual Trustee fee and the accounting fees of the Trust out of the \$20,000 being annually reserved for annual unreimbursed insurance and tax payments, bank fees, tax preparation, filing costs and other unreimbursed expenses related to the Properties. Accordingly, the Manager and the Trustee are guaranteed to receive significant compensation for their services and will receive such fees prior to the Owners receipt of any distributions from the Trust.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

THE TRUST AND SUMMARY OF THE TRUST AGREEMENT

The rights and obligations of the Owners will be governed by the Trust Agreement, a copy of which is attached hereto as Exhibit A. You should carefully review the entire Trust Agreement before making an investment. The following is a general description of the Trust and a summary of some of the significant provisions of the Trust Agreement. This summary is qualified in its entirety by the full text of the Trust Agreement.

General

The Trust was formed pursuant to the Trust Agreement by the Sponsor and the Trustee. The Trust Agreement was entered into by and among the Trustee, the Sponsor and the Manager. The principal place of business of the Trust is 1055 E. Colorado Blvd., Suite 310, Pasadena, CA 91106 and its telephone number is 855-379-8172. The Trust is a passive owner of the Properties and will not be involved in any manner in the active management of the Properties.

The Trust Estate

The trust estate consists of (i) the real property consisting of, and all improvements on, the Properties; (ii) the rights and remedies under the Master Lease; (iii) amounts in or to be deposited in the Reserve Account (see “Acquisition Terms and Financing”); and (iv) any proceeds of the foregoing (collectively, the “**Trust Estate**”).

Ownership

The Trust is authorized to issue 100 Class 1 beneficial ownership interests (which are the Interests offered to prospective Investors) and 100 Class 2 beneficial ownership interests. In order to form the Trust, the Sponsor subscribed for all of the 100 Class 2 interests, which are currently the only outstanding ownership interests in the Trust, in exchange for nominal capital. None of the Sponsor or its Affiliates will own any Class 1 interests and upon the sale of all the Interests, no Class 2 interests will remain outstanding.

Redemption of the Sponsor’s Class 2 Ownership Interests

The proceeds of this Offering will be used by the Trust, in part, to redeem all of the Sponsor’s Class 2 interests on a one-for-one basis whereby one Class 2 interest will be redeemed for \$11,139.01 paid to the Sponsor for each Class 1 interest sold. As a result, no Class 2 interests will remain outstanding. See “Estimated Use of Proceeds,” “Plan of Distribution” and “– Rights of Owners.”

The Trust will not close this Offering until all the Interests are sold and all the Class 2 interests are redeemed (or until the Offering Termination Date, as set forth below); provided, however, that the Sponsor is required to have divested of all Class 2 interests within 12 months of the Memorandum Date, which date may be extended for an additional six month period (at the discretion of the Manager), such that the Sponsor or its affiliates will not own any interests in the Trust after such date.

The Trust’s Goals

The main goals of the Trust are to (i) preserve the capital investment of the Owners; (ii) make monthly distributions to the Owners from cash generated by the Properties; (iii) execute a Disposition via an exchange roll-up transaction pursuant to Section 721 of the Code to the ExchangeRight REIT and thereby targeting to provide individual Owners with the following exit options: (1) complete an exchange pursuant to Section 721 of the Code into the acquiring ExchangeRight REIT; (2) participate in a tax-deferred cash out financing targeting 20% of their total investment value to be distributed as financing proceeds and an exchange of the remaining equity interests under Section 721 of the Code; (3) complete a Section 1031 Exchange; (4) cash out (not tax-deferred); or (5) any combination of the above exit options; and (iv) take only such other actions as the Manager deems necessary to carry out the foregoing. The Trust currently estimates monthly distributions to be in an amount sufficient to provide the following approximate estimated annualized cash flow returns on the Owners’ investment:

- (i) 5.15% in year one;

- (ii) 5.19% in year two;
- (iii) 5.22% in year three;
- (iv) 5.25% in year four;
- (v) 5.30% in year five;
- (vi) 5.42% in year six;
- (vii) 5.46% in year seven;
- (viii) 5.49% in year eight;
- (ix) 5.52% in year nine; and
- (x) 5.58% in year 10.

However, there is no assurance that the Trust will be able to meet any of the above goals, including as to the manner, amount and timing of any distributions to Owners, as any such distributions will depend on actual income earned by the Trust. The targeted exit options are also dependent on the ExchangeRight REIT's capital availability and are not guaranteed. See "Risk Factors" and "Business Plan."

The Trustee

Gregory Harrison, an unaffiliated third party, will act as the Trust's trustee under the Trust Agreement, as well as acting as the Independent Director (as defined in the Trust Agreement). The Trustee is an officer of Stewart Management Company, a Delaware limited purpose trust company with its principal offices located at Stewart Management Company, Farmers Bank Building, Suite 1410, 301 North Market Street, Wilmington, Delaware 19801.

The Trustee is only authorized and empowered to (i) accept legal process served on the Trust in the State of Delaware; (ii) execute any certificates that are required to be executed under the Delaware Statutory Trust Act and file such certificates with the Delaware Secretary of State; and (iii) take such action or refrain from taking such action under the Trust Agreement as may be directed in a writing delivered to the Trustee by the Manager.

The Trustee will be reimbursed for its expenses and held harmless from liability by the Manager, subject to certain exceptions.

The Trustee may resign at any time by providing at least 60 days' prior written notice to the Manager, and the Manager may remove the Trustee for cause (as defined in the Trust Agreement) at any time by providing written notice to the Trustee.

As compensation for its services, the Trustee will receive fees as agreed to between the Sponsor and the Trustee. These fees are \$750 per year.

The Manager

ExchangeRight Asset Management, LLC, a California limited liability company, is the manager of the Trust. The Manager's sole member is the Sponsor. Accordingly, the Manager and the Property Manager are owned by the Sponsor. The agreements between the Trust, the Manager and the Sponsor are not the result of arm's-length negotiations, and they should not be considered as such. Certain conflicts of interest may arise between these entities and the Owners. See "Conflicts of Interest."

The Property Manager entered into an asset management agreement with the Manager and shall pay the Manager an annual Asset Management Fee of 0.40% of the gross operating income of the Properties during the hold period. It is anticipated that the Manager will assist in marketing and selling the Properties, and thus, if the Manager provides such services, and if upon a Disposition of the Properties the gross proceeds of any Disposition including the return of any reserves are in excess of \$52,785,000 (in cash or in kind), the Manager will be entitled to receive a fee equal to 2.0% of the gross proceeds of any such Disposition of the Properties pursuant to the Trust Agreement, with

such amount to be in addition to any payments to unrelated third-party real estate brokers that the Trust hires to sell the Properties and any payments to buyer's brokers. The Trust shall pay a \$750 annual Trustee fee and the accounting fees of the Trust out of the \$20,000 being annually reserved for annual unreimbursed insurance and tax payments, bank fees, tax preparation, filing costs and other unreimbursed expenses related to the Properties. See "Compensation of the Sponsor, the Manager and their Affiliates."

Rights of the Owners

The sole right of the Owners as holders of Interests will be to receive distributions from the Trust if, as and when made as a result of the operations of the Trust or the Disposition of the Properties. The Owners will have no voting rights, including as to whether or not the Properties are sold.

Representations of Owners

Under the Trust Agreement, Owners will make certain representations substantially similar to those contained in the Purchase Agreement. See "Who May Invest."

Side Letters

Subject to certain restrictions in the Trust Agreement, the Manager reserves the right, in its sole and absolute discretion, to agree with an Owner to waive or modify the application of any provision of the Trust Agreement or fee or expense in connection with this Offering with respect to such Owner without obtaining the consent of any other Owner. Accordingly, subject to certain restrictions in the Trust Agreement, the Trust and the Manager may enter into side letters or other writings with one or more Owners that have the effect of establishing rights under, or altering or supplementing the terms of, the Trust Agreement or any subscription agreement for Interests (including with any of its Affiliates that may invest in the Trust).

Trust Limitations

The Trust is not empowered or permitted to (i) sell, transfer, exchange or otherwise dispose of the Properties except as required under the Trust Agreement; (ii) invest any cash held by the Trust in anything other than U.S. Treasury obligations or deposits in federally-insured institutions; (iii) reinvest any monies of the Trust, except to make minor non-structural modifications or repairs to the Properties permitted under the Trust Agreement; (iv) upon the Disposition of the Properties pursuant to the Trust Agreement, re-invest the proceeds of such Disposition; (v) enter into any new financing; (vi) renegotiate, alter or extend the terms of the Master Lease or enter into new leases, except in the case of the Master Lessee's bankruptcy or insolvency; (vii) make any modifications to the Properties other than minor non-structural modifications, unless required by law; (viii) accept any capital or contributions from Owners or other persons (other than pursuant to this Offering); or (ix) take any other action which would cause the Trust to be treated as a business entity for federal income tax purposes.

Distributions of Cash from Operations

After payment of management fees, operating expenses and taxes, as determined by the Manager, and after the reductions for reserves, the Trust's net cash flows will be distributed to the Owners in proportion to their Interests on a monthly basis. See "Business Plan."

Distributions upon Dissolution

Upon the dissolution of the Trust, any cash remaining after the winding up of the Trust's affairs in accordance with the laws of Delaware Statutory Trust Act will be distributed to the Owners in proportion to their Interests. See "– Term and Dissolution," "– Disposition of the Properties," and "– LLC Conversion."

Term and Dissolution

The Trust shall have perpetual existence and shall be dissolved and wound up in accordance with Section 3808 of the Delaware Statutory Trust Act and its Trust Termination Date, which shall be the first to occur of (i) the Disposition of all the Properties or (iii) an LLC Conversion.

Disposition of the Properties

It is anticipated that the Manager will assist in marketing and selling the Properties, and thus, if the Manager provides such services, and if upon a Disposition of the Properties the gross proceeds of any Disposition including the return of any reserves are in excess of \$52,785,000 (in cash or in kind), the Manager will be entitled to receive a fee equal to 2.0% of the gross proceeds of any such Disposition of the Properties pursuant to the Trust Agreement, with such amount to be in addition to any payments to unrelated third-party real estate brokers that the Trust hires to sell the Properties and any payments to buyer's brokers. The Trust will then dissolve and the Owners will no longer have any ownership interest in the Trust. See “– Term and Dissolution” and “– Distributions upon Dissolution.”

LLC Conversion

The Trust must convert to a Delaware limited liability company (the “**LLC**”) managed by the Sponsor, the Manager or one of their affiliates (the “**Managing Member**”) upon the Trust Expiration Date. In connection with the LLC Conversion, the Trust will distribute to the Owners ownership interests in the LLC in exchange for, the Owners' Interests. This exchange would be on a proportionate basis to their ownership in the Trust, except that the Managing Member, would receive one membership unit of a different class with nominal value in exchange for nominal consideration. The LLC will be treated as a partnership for federal income tax purposes. See “Summary of the Limited Liability Company Agreement” and “Business Plan.”

Reports to Owners

The Manager will keep customary and appropriate books and records of account for the Trust at the Manager's principal place of business. See “The Manager.” The Owners (or their duly authorized representatives) may inspect, examine and copy the Trust's books and records at any time during normal business hours upon reasonable notice. The Manager shall furnish unaudited quarterly investment status updates and annual financial information reports to the Owners. On or before January 31st of each year, the Manager shall provide reports of income and expenses to each Owner as necessary for such Owner to prepare their income tax returns.

Amendment

The Trust Agreement may only be amended by a writing signed by the Manager and the Owners adversely affected by the amendment, if any. No amendment may be made to the Trust, however, which would cause the Trust to cease to be treated as a trust for federal income tax purposes.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

SUMMARY OF THE MASTER LEASE

The rights and obligations of the Trust, and compensation to be paid to the Trust, regarding the leasing of the Properties to the Master Lessee will be governed by the Master Lease, a copy of which is attached hereto as Exhibit D. You should carefully review the entire Master Lease before making an investment. The following is a summary of some of the significant provisions of the Master Lease. The summary is qualified in its entirety by the full text of the Master Lease. Both the Master Lessee and the Manager are Affiliates of ExchangeRight. As a result, the terms of the Master Lease are not the result of arm's-length negotiations, and should not be so considered as such.

Generally

The Trust and the Master Lessee entered into the Master Lease whereby the Trust leased the Properties to the Master Lessee and assigned, transferred and quit claimed without warranty to the Master Lessee, and the Master Lessee accepted, all of the Trust's right, title, and interest in and to the Tenants' leases. On the Closing Date, the Master Lessee assumed all obligations and liabilities of the Trust with respect to the Tenants' leases and is entitled to receive all rent due from the Tenants thereunder. The Trust appointed the Master Lessee as its agent and attorney-in-fact during the term of the Master Lease for purposes of executing any and all documents required to be entered into and complete any transaction that will be approved by the Trust (to the extent such approval is required) and to take any other action with respect to the Properties that the Master Lessee is authorized to take on behalf of the Trust, other than with respect to any transaction involving a substitution or other disposition of the Properties. As a result, the Master Lessee is solely responsible for administering and complying with the terms of the Tenants leases applicable to the lessor.

Upon termination or expiration of the Master Lease, the Tenants' leases then affecting the Properties will be deemed to be automatically assigned to the Trust, and the Trust will be deemed to automatically assume all duties and obligations of the Master Lessee under the Tenants' leases without any further action on the part of the Master Lessee.

Term

The Master Lease will expire concurrently with the Trust's termination, however, the Manager shall take into consideration the term of the Master Lease guarantee with regards to any valuation pursuant to the exit strategy for the Trust. The Master Lease may be extended pursuant to mutual agreement between the Trust and Master Lessee. The Master Lease will terminate before its expiration date, and without additional cost to the Trust, upon a Disposition of the Properties by the Trust. The Master Lease is currently expected to be assumed by the LLC at the time of an LLC Conversion. Neither the Trust nor the Master Lessee will have an option to renew the Master Lease. In the event that not all or a non-material portion of the Properties are damaged or destroyed by fire or other casualty and it is economically feasible to continue to operate the Properties, then the Owners shall receive the benefit from insurance proceeds from any such casualty and the Master Lease shall continue in full force and effect, however, Master Lessor and Master Lessee shall adjust the Annual Base Rent in an equitable fashion to reflect the economic effect of any such loss of a portion of the Properties.

Rent

All rent due under the Tenants' leases for periods after the Master Lease is executed will be payable to the Master Lessee rather than the Trust. The Master Lessee will use the rent received from the Tenants' leases to pay to the Trust the Annual Base Rent established in the Master Lease.

The Annual Base Rent for each year of the Master Lease shall be as follows:

Year 1	\$2,855,290
Year 2	\$2,872,474

Year 3	\$2,889,829
Year 4	\$2,907,359
Year 5	\$2,936,038
Year 6	\$3,000,790
Year 7	\$3,018,850
Year 8	\$3,037,091
Year 9	\$3,055,515
Year 10	\$3,085,647
Year 11	\$3,153,654
Year 12	\$3,172,636
Year 13	\$3,191,807
Year 14	\$3,211,171
Year 15	\$3,242,827
Year 16	\$3,314,253
Year 17	\$3,334,203
Year 18	\$3,354,353
Year 19	\$3,374,704
Year 20	\$3,407,963

In the event that not all or a non-material portion of the Properties are taken by eminent domain proceedings or damaged or destroyed by fire or other casualty and it is economically feasible to continue to operate the Properties, then the Owners shall receive the benefit from insurance proceeds from any such casualty and the Master Lease shall continue in full force and effect, however, the Annual Base Rent shall be adjusted in an equitable fashion to reflect the economic effect of any such loss of a portion of the Properties.

Payment of the Properties' Expenses

The Master Lessee is obligated to bear all costs of operating, maintaining, repairing, and managing and leasing the Properties (including property taxes, property insurance and utilities' costs) other than Capital Expenses (as defined below), but may use reserves owned by the Trust to pay said costs, as described below.

The Trust is financially responsible for casualty and condemnation restoration and all “**Capital Expenses**” of the Properties, which means all costs and expenses incurred in connection with the Properties that are normally capitalized, including, but not limited to: (i) repairs and replacements to roofs, chimneys, gutters, downspouts, paving, curbs, ramps, driveways, balconies, porches, patios, decks, foundations, exterior walls and all load bearing walls, exterior doors and doorways, windows, elevators, fences and gates, and (ii) exterior painting, with the Master Lessee

assuming full and sole responsibility for the operation, repair, replacement, maintenance and management of the Properties.

Moreover, the Trust will not be responsible for any Capital Expenses or, otherwise, for making or performing (or incurring any cost, expense or expenditure for the making or performing of) any repairs, replacements or improvements to, for and/or in respect of any of the Properties that the Trust determines (in its sole discretion) that it is not permitted to be responsible for, make, perform and/or incur pursuant to the terms of the Trust Agreement. In order to help the Trust defray its costs and expenses related to the Properties and to help the Master Lessee defray its costs and expenses related to the Properties the Trust will reserve \$779,659 to be used for future repairs and replacements at the Properties and operational and asset management costs incurred in the course of managing the Properties and the portfolio, including unreimbursed tax and insurance payments, and bank, accounting, tax, and filing fees incurred by Master Lessee on behalf of the Trust (the “**Reserve Account**”).

So long as the Reserve Account has not been totally depleted, the funds in the Reserve Account will be available to and may be withdrawn by the Master Lessee, upon receipt of consent from the Trust, to pay for costs and expenses in connection with Capital Expenses. The Master Lessee’s use of the funds in the Reserve Account shall be without expense or obligation of the Master Lessee to repay the Trust or to replenish the Reserve Account. If the Reserve Account is not available for any reason and funds of the Master Lessee are used to pay for expenses for which the Trust is responsible, such amounts will be treated as a loan from the Master Lessee to the Trust, which the Master Lessee may recover, including a reasonable rate of interest, in the Master Lessee’s sole discretion, out of the Reserve Account (if not depleted), by set off against Annual Base Rent, or from the proceeds from a Disposition of the Properties. So long as the Reserve Account has not been totally depleted, the funds in the Reserve Account will also be available to and may be withdrawn by the Trust to pay for the costs of casualty and condemnation restoration and Capital Expenses.

Rights and Duties of the Master Lessee

The Master Lessee has the sole and exclusive right and obligation to operate and maintain the Properties. The Master Lessee, at its sole cost and expense, is responsible for complying with all governmental statutes, laws, rules, regulations and ordinances affecting the Properties or the use thereof, including all such requirements of the National Board of Fire Underwriters or other similar bodies and all requirements of the ADA. The Master Lessee, at its sole cost and expense and without reimbursement or contribution from the Trust, with the exception of the above reserve reimbursements, is required to keep, repair and maintain the entire exterior and interior of the Properties in good condition and repair and in good compliance with all legal requirements.

The Master Lease will prohibit the Master Lessee from making any alterations, additions or improvements to the Properties unless such alterations, additions or improvements are (i) consented to in a prior writing by the Trust and (ii) minor, non-structural alterations, additions, or improvements, required by law or permitted under the Tenants’ leases. The Master Lessee will be prohibited from entering into any new sublease with respect to the Properties that permit alterations, additions or improvements to the Properties other than minor, non-structural alterations, additions or improvements or those required by law.

The Master Lessee is required to procure and maintain, at its sole cost and expense, insurance coverage against the following risks: (i) casualty loss at full replacement cost of any improvement on the Properties, naming the Trust as the insured; (ii) liability for personal injury and property damage; (iii) loss or damage from explosion or breakdown of boilers, air conditioning equipment or other electrical apparatus; (iv) workers compensation claims; (v) fire and other risk of loss of contents and other personal property; and (vi) abatement or loss of rent in the case of fire or other casualty. All such insurance coverage must be in form and substance satisfactory to the Trust, except that flood and earthquake insurance will not be procured for all the Properties unless specifically disclosed in the “Description of the Properties” section of this Memorandum. In the event that not all or a non-material portion of the Properties taken by eminent domain proceedings or damaged or destroyed by fire or other casualty and it is economically feasible to continue to operate the Properties, then the Owners shall receive the benefit from insurance proceeds from any such casualty and the Master Lease shall continue in full force and effect, however, the Annual Base Rent shall be adjusted in an equitable fashion to reflect the economic effect of any such loss of a portion of the Properties.

Upon termination of the Master Lease, the Master Lessee will be required to surrender the Properties to the Trust in as good condition as when the Master Lessee took possession thereof. The Master Lessee will be required to remove from the Properties all furniture, fixtures and other movable property, if any, belonging to the Master Lessee. For each day that the Master Lessee remains in possession of the Properties after the Master Lease terminates, the Master Lessee will be required to pay holdover rent that is double the daily amount of the Annual Base Rent. The rights and obligations under the Tenants' leases will not be affected by the termination of the Master Lease.

The Master Lessee has the sole authority to negotiate and enter into subleases of the Properties without the consent of the Trust, provided that any such leases conforms in all respects to the specifications set forth in the Master Lease. Notwithstanding the right to sublease the Properties, the Master Lease will prohibit the Master Lessee from assigning or transferring the Master Lease or any interest thereunder, and the Master Lessee will remain obligated to fulfill all duties and obligations set forth in the Master Lease with respect to the Properties that the Master Lessee subleases.

The Master Lessee will be prohibited from taking certain actions with respect to hazardous materials on, around or otherwise in connection with the Properties. The Master Lessee is required, at its sole cost and expense, to comply with all environmental laws. The Master Lessee is required to provide the Trust with a copy of all notices, citations or similar communications regarding an actual or alleged violation of environmental laws or imposition of fines, liens or similar penalties with respect to any such violations. The Master Lessee is required to indemnify and hold harmless the Trust and the Owners from any claims, damages or similar consequences arising from the Master Lessee's actions or inactions with respect to hazardous materials, compliance with environmental laws or other obligations under the Master Lease with respect to environmental matters and the Properties.

Default

The occurrence of any one or more of the following matters will constitute an event of default by the Master Lessee under the Master Lease: (i) failure to pay rent when due; (ii) failure to pay, within 10 days after receiving notice of such failure, any moneys due under the Master Lease; (iii) failure to observe or perform any covenant with respect to subletting; (iv) failure to comply with any warranty, representation or covenant with respect to environmental matters; (v) failure to cure any hazardous condition created by the Master Lessee in violation of law or the Master Lease; (vi) failure to observe or perform any other covenant, agreement or condition of the Master Lease for 30 days after receiving notice of such failure; (vii) the levy upon writ of execution or the attachment by legal process of the Master Lessee's leasehold interest, or the filing or creation of a lien in respect of such interest, if not released or discharged within 10 days of such filing; (ix) the insolvency or bankruptcy of the Master Lessee; (x) the appointment of a trustee for the Master Lessee and such appointment is not discharged within 60 days; or (xi) bankruptcy, reorganization, liquidation, or similar proceedings are instituted against the Master Lessee or by the Master Lessee and are not dismissed within 60 days of such institution.

In the event of default, the Trust may terminate the Master Lease, terminate the Master Lessee's right to possess the Properties without terminating the Master Lease, or enforce the provisions of the Master Lease by a suit in equity or at law for specific performance or the enforcement of any appropriate legal or equitable remedy, including monetary damages. If the Trust terminates the Master Lessee's right to possession without terminating the Master Lease, the Master Lessee must immediately vacate the Properties, if the Master Lease has any such possession, and any such termination of the right of possession will not terminate the Master Lessee's obligation to pay all rent due under the Master Lease.

Liability

The Master Lessee agreed to indemnify the Trust, including the Owners, to the extent the Trust or an Owner becomes liable as a result of certain actions of the Master Lessee.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

SUMMARY OF THE PURCHASE AGREEMENT

Each prospective Investor will be required to execute a Purchase Agreement, a copy of which is attached hereto as Exhibit B. You should carefully review the entire Purchase Agreement before making an investment. The following is a summary of some of the significant provisions of the Purchase Agreement. This summary is qualified in its entirety by the full text of the Purchase Agreement.

Submission of Offer to Purchase

The Purchase Agreement contains additional information on how to purchase the Interests. See also “How to Subscribe.”

Investor Suitability Requirements

The Purchase Agreement contains additional information regarding the requirements and suitability of investors to that contained in “Who May Invest.” By signing the Purchase Agreement, prospective Investors represent that they meet all the requirements listed in “Who May Invest” as well as make the additional agreements and acknowledgments set forth therein, including that they are an Accredited Investor.

No Tax Advice

THE INVESTORS WILL ACQUIRE THEIR INTERESTS WITHOUT ANY REPRESENTATIONS OR WARRANTIES FROM THE TRUST, THE SPONSOR, THE MANAGER OR ANY OF THEIR AFFILIATES OR REPRESENTATIVES, AGENTS OR COUNSEL REGARDING THE TAX IMPLICATIONS OF THE TRANSACTION. THE TRUST RECEIVED THE TAX OPINION ON WHICH EACH OWNER MAY RELY, BUT ONLY CONCERNING THE MATTERS SPECIFICALLY ADDRESSED THEREIN. THE OPINION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF A PARTICULAR TRANSACTION, AND EACH PROSPECTIVE INVESTOR SHOULD SEEK ADVICE BASED ON THE PROSPECTIVE INVESTOR’S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR. THE TAX OPINION FROM TAX COUNSEL IS ATTACHED HERETO AS EXHIBIT F.

EACH INVESTOR MUST CONSULT HIS OR HER OWN INDEPENDENT ATTORNEYS, ACCOUNTANTS AND OTHER TAX ADVISORS REGARDING THE TAX IMPLICATIONS OF THE INVESTOR’S PURCHASE OF AN INTEREST, INCLUDING WHETHER OR NOT SUCH PURCHASE WILL QUALIFY AS PART OF A PROPOSED TAX-DEFERRED EXCHANGE UNDER SECTION 1031, IF ONE IS CONTEMPLATED.

Accordingly, all prospective Investors must consult their own independent legal, tax, accounting and financial advisors and must represent that they have done so as an investment requirement.

Termination of the Purchase Agreement

The Purchase Agreement may be terminated if the conditions to the closing are not satisfied as set forth in the Purchase Agreement. If the Purchase Agreement is terminated, prospective Investors will have no right to acquire any portion of the Interests and will have no claims against the Trust for expenses, lost profits or otherwise.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

SUMMARY OF THE LIMITED LIABILITY COMPANY AGREEMENT

After an LLC Conversion occurs, the rights and obligations of the Owners, as members of the LLC holding membership interests therein, will be governed by the LLC Agreement, a copy of which is attached hereto as Exhibit E. You should carefully review the entire LLC Agreement before making an investment. The following is a summary of some of the significant provisions of the LLC Agreement. This summary is qualified in its entirety by the full text of the LLC Agreement. As provided in the Trust Agreement, however, the Manager may, in its discretion and upon advice of counsel, utilize such other form of transaction to accomplish the transaction contemplated by the LLC Conversion, provided that such alternative form is entered into to preserve and protect the Trust's assets for the benefit of the Owners.

Generally

In connection with the conversion of the Trust into the LLC, the Interests held by the Owners will be converted into interests in the LLC, which will be represented by the Class A Units. This exchange would be on a proportionate basis to their ownership in the Trust, except that the Managing Member would receive the Class B Unit with nominal value in exchange for nominal consideration. After the LLC Conversion is completed, the Owners will no longer own beneficial interests in the Trust. As members in the LLC, the rights and obligations of the Owners with respect to each other and the former Trust Estate, including the Properties, will be governed by the LLC Agreement.

The nature of the business and the purposes of the LLC will be to engage solely in activities related to owning, holding, selling, assigning, transferring, operating, leasing, mortgaging, pledging and otherwise dealing with the Properties. The LLC will be organized solely for purposes in connection with the Properties, will not engage in any business unrelated to the ownership of the Properties, and will not have any assets other than those related to the Properties. The ability of the LLC to engage in activities with respect to the Properties will not be subject to the significant restrictions and limitations imposed on the Trust, the Trustee and the Manager by the Trust Agreement.

In the event of a LLC Conversion, the Interests owned by the Sponsor or an owner of the Sponsor will be exchanged for ownership interests in the LLC, which involves certain risks that potential Investors should consider, including, but not limited to, the Sponsor retaining rights as a member of the LLC and may therefore have an effective veto right with respect to major decisions.

Authority and Responsibilities of the Managing Member

The holder of the Class B Unit in the LLC will be appointed to serve as the Managing Member to hold such office until the Managing Member is removed or it withdraws or resigns. The Managing Member will designate a board of one or more directors who shall serve at the complete discretion of the Managing Member.

The Managing Member will have broad authority, power, and discretion to manage and control the business affairs of the LLC under the direction of the board, including the complete power to do all things necessary or incident to the management and conduct of the LLC's business.

The Managing Member and its Affiliates will be entitled to receive various fees, commissions, or other compensation for services performed on behalf of the LLC. The Managing Member and its Affiliates will not be reimbursed for overhead expenses incurred in connection with the LLC. The LLC will pay directly or reimburse the Managing Member as the case may be, for all costs and expenses of the LLC's operations.

At all times during the term of the LLC, the Managing Member will have a special power of attorney as the attorney-in-fact for each member with the power and authority to act in the name and on behalf of each member to execute and take other actions with respect to documents that are not inconsistent with the provisions of the LLC Agreement.

The Managing Member will be prohibited from resigning or withdrawing as the Managing Member or doing anything that would require its resignation or withdrawal without the vote of more than 75% of the Class A Units entitled to vote (a "**Super Majority Vote**"). Upon termination, removal, or withdrawal of the Sponsor as Managing

Member, the Sponsor's Class B Unit shall be redeemed for \$100 and the Sponsor shall be paid all earned but unpaid fees and other compensation in cash within 60 days of the date of termination, removal, or withdrawal.

Except for transfers to Affiliates, the Managing Member may not sell, assign, hypothecate, encumber or otherwise transfer any part or all of its Class B Unit without an affirmative Super Majority Vote. The transferee of an assignment of the Class B Unit in compliance with these approval and consent requirements shall be substituted as the Managing Member.

Indemnification of Managing Member

The LLC will indemnify the Managing Member (to the extent of the LLC's assets) for any loss or damage incurred by the Managing Member, its Affiliates, the LLC, or the members in connection with the business of the LLC.

Rights and Obligations of Members

The members will have no obligation to make contributions of capital or loan funds to the LLC except to the extent of such member's share of undistributed profits, if any, and the amount of any distributions made to such member by the LLC in violation of the Delaware Limited Liability Company Act. No member will be liable for the LLC's debts or other obligations.

The members will not have the right to take part in the management or control of the business or affairs of the LLC, to transact any business for the LLC, or to sign for or bind the LLC. The members will have the right to receive information required for federal income tax reporting and certain other financial information and to inspect certain LLC records. The members will have only limited voting rights with respect to certain other matters.

Distributions and Tax Matters

It is intended that the LLC will make periodic distributions of substantially all cash determined by the Managing Member to be distributable, subject to the following: (i) a restriction or suspension for periods when the Managing Member determines in its reasonable discretion that doing so is in the LLC's best interest; (ii) the payment, and maintenance of reasonable reserves for payment, of the LLC's obligations; and (iii) the payment of, or other provision for, all currently due operating expenses of the LLC (including any fees that are due and payable to the Managing Member or its Affiliates for services rendered to the LLC). All distributions made with respect to the Class A Units will be in the ratio of the number of Class A Units held by each member on the date of such allocation to the total outstanding Class A Units as of such date. If the LLC is required to make a tax payment to a government authority as a result of a member's ownership interest in the LLC, any such tax payment will be deemed a distribution to such member and the LLC will recover the amount of such tax payment from future distributions otherwise payable to such member.

All income of the LLC will be allocated to the members in proportion to their Class A Units. The Managing Member will be required to use its best efforts to meet the applicable requirements for the LLC to be classified for federal income tax purposes as a partnership. The Managing Member will be appointed to represent the LLC and its members as the Tax Matters Member (as defined in the LLC Agreement) in connection with all examinations by tax authorities of the Company's affairs, and any other tax administrative or judicial proceeding, and will be authorized to take any action in connection with any tax examination, audit, administrative or judicial proceeding of the Company to the extent permitted by applicable law if reasonably determined to be in the best interest of the members. Each member will cooperate with the Tax Matters Member and do or refrain from doing any or all things reasonably requested by the Tax Matters Member including as needed to comply with the revised partnership audit procedures. The Managing Member shall cause the LLC to timely file all applicable tax returns with the appropriate authorities and to distribute, within 90 days after the LLC's fiscal year end, all LLC information necessary in the preparation of the members' individual income tax returns.

Transfer of Units

No transfer of a Unit or any interest therein may be made unless the Managing Member, in its sole discretion, has consented in writing to such transfer. In addition, no transfer may be made if the effect of such transfer would be for the LLC to be classified as a publicly traded limited partnership for federal income tax purposes or for the underlying assets owned by the Trust to constitute “plan assets” under ERISA of any Benefit Plan Investor. The Managing Member may require an opinion of counsel acceptable to the Managing Member that such transfer will not violate any federal or state securities laws. A transferee will not become a substituted member in the LLC unless (i) the Managing Member, in its sole discretion, has consented to such substitution; (ii) the transferee has assumed any and all of the obligations under the LLC Agreement with respect to the Units to which the transfer relates; (iii) a transfer fee sufficient to cover all reasonable expenses required in connection with the transfer have been paid by or for the account of the transferee; and (iv) all agreements, certificates or amended certificates and all other documents have been executed and filed and all other acts have been performed which the Managing Member deems necessary to make the transferee a substituted member in the LLC. Notwithstanding the above, no assignment of any Units may be made if the Units to be assigned, when added to the total of all other Units and Managing Member interest assigned within the 13 immediately preceding months would, in the opinion of the LLC’s counsel, result in a termination of the LLC as a partnership under the Code.

Meetings of the Members

The Managing Member may call a meeting of the members at any time with respect to any matter. Members whose combined Units constitute more than 50% of all Units then outstanding and entitled to vote may request that the Managing Member call a meeting to vote and take action with respect to any issue on which the members may vote pursuant to the LLC Agreement. Upon receiving a proper written request stating the purpose of the meeting, the Managing Member will be required to mail, within 20 days after receipt of such request, written notice of the meeting to all members, stating the general nature of the business to be conducted at such meeting, and such meeting will be required to be held at a time and place on a date not fewer than five days or more than 60 days after the date the Managing Member mails such notice.

Termination and Winding Up

The LLC will be dissolved upon the occurrence of any of the following events:

- (i) the happening of any event of dissolution specified in the Certificate of Formation;
- (ii) a determination by the Managing Member to terminate the LLC;
- (iii) the entry of a decree of judicial dissolution;
- (iv) the Disposition of the Properties held by the LLC, or the receipt of the final payment on any seller financing provided by the LLC on the Disposition of the Properties, if later; or
- (v) the death, insanity, withdrawal, retirement, resignation, expulsion, insolvency or dissolution of the Managing Member unless the business of the LLC is continued by a Super Majority Vote within 90 days following the occurrence of such event.

In the event of the LLC’s dissolution, the LLC’s affairs will be terminated and wound up in accordance with Delaware law and the LLC’s remaining assets will be distributed to the members as provided for in proportion to their Class A Units and the holder of the Class B Unit will receive consideration equal to the amount it paid for its Class B Unit.

LIMITED FIDUCIARY DUTY

The Sponsor, the Master Lessee and the other Owners will have no fiduciary duty to any Owner, as such duty may be applicable to other investments such as a partnership, limited liability company or corporation.

The Trust Agreement provides that (i) neither the Trustee nor the Manager will be liable to the Owners for any act or omission performed or omitted by it except for acts or omissions arising out of willful misconduct, bad faith, fraud or gross negligence, and (ii) the Owners will indemnify the Trustee and the Manager and their Affiliates and each of their directors, officers, employees and agents for any liability suffered by them arising out of their activities in connection with the Trust, except for liabilities resulting from willful misconduct, bad faith, fraud or gross negligence. See “The Trust and Summary of the Trust Agreement.” Accordingly, the Owners may be liable to the Trust and have a more limited right of action than would otherwise be the case absent such provisions.

CONFLICTS OF INTEREST

ExchangeRight is owned by the Key Principals (Joshua Ungerecht, David Fisher and Warren Thomas) and it is the sole member of the Manager, the Master Lessee and the Property Manager, which can create a conflict of interest among the multiple roles it, its principals and its Affiliates fulfill. See “Organization and Management.” Accordingly, the Manager and the Property Manager are Affiliates owned by the same entity and, thus, any agreements between the parties are not the result of arm’s-length negotiations. In addition, ExchangeRight may act as the manager of other limited liability companies and/or as the general partner of limited partnerships and may form other business entities. ExchangeRight may have additional responsibilities to provide management and services to a number of other entities in addition to the Manager and the Master Lessee, both of which are Affiliates of ExchangeRight. The principal areas in which conflicts may be anticipated to occur include, but are not limited to, those described below. There can be no assurances there may not be other conflicts.

Sale of Interests by the Selling Group

Members of the Selling Group will make offers and sales of Interests on a “best efforts” basis. Offers and sales of Interests will be made on a “best efforts” basis by broker-dealers (“**Broker-Dealers**”) who are members of Financial Industry Regulatory Authority (“**FINRA**”). The following fees will be paid from the proceeds of the Offering (the “**Offering Proceeds**”) in connection with the marketing and syndication of the Interests: (i) Selling Commissions of up to \$2,639,250 (5%) of the Offering Proceeds (“**Selling Commissions**”) to the Broker-Dealers; (ii) a nonaccountable marketing and due diligence allowance of up to \$527,850 (1%) of the Offering Proceeds to the Broker-Dealers; and (iii) \$131,963 (0.25%) of the Offering Proceeds to ERS (collectively, the “**Selling Commissions and Expenses**”). Principals of the Manager of the Trust may also be acting as an Owner’s registered representative or registered supervisor (or both), in which case they may receive Selling Commissions and Expenses as a result of their sales efforts with respect to the Interests. In addition, ERS, an Affiliate of the Sponsor, may act as the Broker-Dealer of record in connection with any investment in the Trust, and in such cases, ERS is eligible to receive 0.50% of the Offering Proceeds in consideration for its role as Broker-Dealer of record for such transactions. These payments above present a conflict of interest that may affect their judgment in making an investment recommendation to such Owner. Accordingly, each prospective Investor must choose to make an investment in Interests based on their own independent review of the merits and risks of this Offering.

The compensation described in this section and elsewhere in this Memorandum, and other compensation or benefits provided by the Trust, may be more or less than the overall compensation on similar or other products. Prospective investors may inquire of their registered representative regarding conflicts of interest and compensation.

Compensation of the Manager and its Affiliates

Since the Manager and the Master Lessee are Affiliates of ExchangeRight, the payments to the Sponsor, the Manager and the Master Lessee set forth under “Compensation of the Sponsor, the Manager and their Affiliates” have not been determined by arm’s-length negotiations, and they should not be considered as such. In addition, the Trust shall reimburse the Manager for all reasonable expenses incurred in connection with performing its duties on behalf

of the Trust. See “Risk Factors – Trust Structure and Operating Risks” and “The Trust and Summary of the Trust Agreement.”

Interests in Other Activities

ExchangeRight and its Affiliates, including the Manager may engage in other business ventures for their own account or for the account of others. These ventures may or may not be related to the business of the Trust and may include properties that compete with the Properties.

Legal Representation

Counsel and Tax Counsel represent ExchangeRight and the Trust with respect to certain matters related to this Offering. It is anticipated that such multiple representation will continue in the future. Counsel and Tax Counsel have also represented other entities and may also represent future entities formed by ExchangeRight and its Affiliates. As a result, conflicts may arise in the future. If such conflicts cannot be resolved or the consent of the respective parties to the continuation of the multiple representation cannot be obtained after full disclosure of any such conflict, Counsel and/or Tax Counsel will withdraw from representing one or more of the conflicting interests with respect to the specific matter involved. In such event, additional legal counsel may be retained by one or more of the parties to assure their interests are adequately protected.

Counsel and Tax Counsel do not represent the prospective Investors or Owners. Prospective Investors seeking legal advice should retain their own counsel, consult their own advisors about an investment in the Interests and conduct any due diligence they deem appropriate to verify the accuracy of the representations or information in this Memorandum.

Venable LLP has acted solely as U.S. federal income Tax Counsel with respect to the Offering, and has not acted as securities counsel, real estate counsel, finance counsel, or in any other capacity with respect to the Offering. As Tax Counsel, Venable LLP has not conducted any due diligence or reviewed any of the reports or other due diligence materials with respect to the Properties or any financial Pro Forma or similar information with respect to the Properties or the Offering. Tax Counsel’s opinion and advice to the Sponsor relates solely to U.S. federal income tax issues, and does not include advice on state or local income tax issues, property taxes, transfer taxes, stamp duty, lease tax or other non-income taxes, or any other non-tax issues. Venable LLP does not represent the prospective Investors or Owners. Prospective Investors seeking legal advice should retain their own counsel, consult their own advisors about an investment in the Interests and conduct any due diligence they deem appropriate to verify the accuracy of the representations or information in this Memorandum.

Obligations to Other Entities and Other Opportunities

None of the Manager, the Master Lessee or any of their Affiliates or members of their management is required to devote its full time and effort to the affairs of the Trust or to the Properties. Conflicts of interest may occur with respect to the obligations that the Manager owes to the Trust, as well as similar obligations of its Affiliates to other entities. Each member of management of the Manager, the Master Lessee or any of their Affiliates reserves the right to invest in, pursue, develop, own, manage, operate or otherwise participate in (including, without limitation, as an investor in, lender to or consultant or advisor to, or director, officer or manager of, any other entity) all business opportunities of any nature for its own account, including opportunities that may directly or indirectly compete with the Trust or the Properties. No such member of management shall have any obligation to first present such business opportunities to the Trust or allow the Trust or the Owners to share or participate in such other investments or activities or to the income or proceeds derived therefrom.

Moreover, the Trust and the Properties will not have independent management, as the Trust will rely on the Manager and the Properties are managed by the Master Lessee, both of which are wholly owned by the same entity, ExchangeRight. See “Organization and Management.” Other investment projects in which ExchangeRight and its Affiliates participate may compete with the Trust, the Manager and the Master Lessee for the time and resources of ExchangeRight and its Affiliates. The Manager, the Master Lessee and their Affiliates will very likely have conflicts of interest in allocating management time, services and functions among the Trust and the Properties and other existing

companies and businesses, as well as any future companies or business entities. The Manager is not required to manage the Trust as its sole and exclusive function and will likely have other business interests and engage in activities in addition to those relating to the Trust. The Manager, the Master Lessee and their Affiliates presently believe that they currently have the capacity to discharge their responsibilities to the Trust and with respect to the Properties, notwithstanding their participation in other present and future investment programs and projects, but there can be no assurance of this and prospective Investors should consider these actual and potential conflicts of interest carefully prior to making any investment in the Interests.

Resolution of Conflicts of Interest

The Manager, Master Lessee and their Affiliates have not developed, and do not expect to develop, any formal process for resolving conflicts of interest. While the foregoing conflicts could materially and adversely affect the Owners, the Manager, the Master Lessee and their Affiliates, in their sole judgment and discretion, will decide if and how to try to mitigate such potential adversity by the exercise of their business judgment in an attempt to fulfill any fiduciary obligations. There can be no assurance that such an attempt will prevent adverse consequences resulting from the numerous potential conflicts of interest.

Receipt of Fees Prior to Owners' Receipt of Distributions

The fees received by the Manager are based on a percentage of the rental income of the Properties whereas the distributions made to the Owners are based on the Trust's net cash flow and paid after operating expenses, taxes and other costs are paid. The fee paid to the Trustee is a flat amount of \$750 per annum. Accordingly, the Manager and Trustee are guaranteed to receive significant compensation for their services and will receive such compensation prior to the Owners. See "Compensation of the Sponsor, the Manager and their Affiliates."

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

DESCRIPTION OF THE INTERESTS

General Description

The Interests are Class 1 beneficial ownership interests in the Trust and entitle the holder to receive distributions from the Trust if, as and when made as a result of the operations of the Trust or the Disposition of the Properties. If you subscribe for Interests and the Trust accepts your subscription, you will become an Owner in the Trust upon payment in full of the purchase price. The Owners will have no voting rights, including no vote as to whether or not the Properties are sold. The sole right of the Owners will be to receive distributions from the Trust if, as and when made as provided under the Trust Agreement. See “The Trust and Summary of the Trust Agreement.”

Transfer Restrictions

The Interests offered under this Memorandum have not been registered under the Securities Act or the securities laws of any jurisdiction. Until such registration of the Interests, if any, the Interests may be transferred only in transactions that are exempt from registration under the Securities Act and the applicable securities laws of any jurisdiction. The Interests may not be sold, transferred, pledged or assigned without the prior written consent of the Manager if such sale, transfer, pledge or assignment may result in the assets of the Trust being deemed to be plan assets of any Benefit Plan Investor (as defined in “Certain Considerations Applicable to ERISA, Governmental and Other Plan Investors”). In addition, any transfer of the Interests under the Trust Agreement will also be subject to the delivery to the Manager of assignee’s or transferee’s written acceptance and adoption of the Trust Agreement. See “The Trust and Summary of the Trust Agreement.” See “Acquisition Terms.” The transferring Owner will bear all expenses relating to any transfer.

PLAN OF DISTRIBUTION

Ownership of the Trust

The following tables set forth the ownership of the Trust on the basis of outstanding beneficial interests as of the date of this Memorandum and on fully diluted basis after the closing of this Offering assuming the full Maximum Offering Amount is received and accepted.

Outstanding Beneficial Interests as of the Memorandum Date

Holders	Class 1	Class 2
Owners	0%	0%
ExchangeRight	0%	100%
Total	0%	100%

Outstanding Beneficial Interests on a Fully Diluted Basis after the Closing of this Offering

Holders	Class 1	Class 2
Owners	100%	0%
ExchangeRight Principals	0%	0%
Total	100%	0%

Marketing of Interests

Offers and sales of Interests will be made on a “best efforts” basis by broker-dealers (“**Broker-Dealers**”) who are members of Financial Industry Regulatory Authority (“**FINRA**”). The following fees will be paid from the proceeds of the Offering (the “**Offering Proceeds**”) in connection with the marketing and syndication of the Interests: (i) Selling Commissions of up to \$2,639,250 (5%) of the Offering Proceeds (“**Selling Commissions**”) to the Broker-Dealers; (ii) a nonaccountable marketing and due diligence allowance of up to \$527,850 (1%) of the Offering Proceeds

to the Broker-Dealers; and (iii) \$131,963 (0.25%) of the Offering Proceeds to ERS (collectively, the “**Selling Commissions and Expenses**”). The aggregate amount of the Selling Commissions and Expenses will not exceed 6.25% of the Maximum Offering Amount; provided, however, the Sponsor may pay higher marketing and due diligence allowances for certain Broker-Dealers, which Broker-Dealers would accept reduced Selling Commission on a pro rata basis. The Sponsor will be responsible for any Selling Commissions and Expenses in excess of these sums and will be entitled to retain any unused funds on a nonaccountable basis. The Sponsor may pay reduced Selling Commissions and Expenses or waive such sums with respect to Interests purchased by Affiliates and other persons. All subscriptions of Interests must be made through a Broker-Dealer. In the event an Investor independently uses the services of a RIA and not a Broker-Dealer in connection with the purchase of Interests, no Selling Commissions will be payable to the RIA with respect to its purchase of such Interests, which will have the effect of increasing the amount of Interests purchased by such Investor (but not including any amounts due to the Broker-Dealer of record and up to 0.25% that is reallocated to ERS). If an RIA does not have another broker-dealer or other financial intermediary, then ERS may be deemed to act as your broker of record in connection with any investment in the Trust. ERS has entered into a soliciting dealer agreement with the Trust and is eligible to receive 0.50% of the Offering Proceeds in its role as Broker-Dealer of record. The payment of any fees or similar compensation to such RIA will be the sole responsibility of such Owner, and the Trust will have no liability for any such compensation. The proceeds to the Trust per Interest will not be affected by this waiver of Selling Commissions. See “Plan of Distribution” and “Estimated Use of Proceeds.”

Disclosures regarding Certain Broker-Dealers who are Offering and Selling the Interests

Effective September 23, 2013, the SEC adopted amendments to Rule 506 requiring certain disclosures to customers in connection with Regulation D private placement offerings, which includes this Offering. Specifically, the amendments require that the Trust notify potential investors if the Broker-Dealers selling the Interests in this Offering have experienced certain specified “disqualifying events,” including certain criminal convictions, certain court injunctions and restraining orders, final orders of certain state and federal regulators and certain SEC disciplinary orders and SEC cease-and-desist orders, among other events.

Please contact Investor Relations at 855-379-8172 or your financial or legal advisor for additional information relating to any of the foregoing matters.

Qualifications of Prospective Investors

The Interests are being offered and sold in reliance on exemptions from registration under the Securities Act and applicable state securities laws. Accordingly, distribution of this Memorandum has been strictly limited to persons reasonably believed to be Accredited Investors who satisfy the prospective investor suitability requirements described under “Who May Invest,” and the Interests may only be purchased by prospective Investors who meet those requirements. This Memorandum is not an offer to sell or a solicitation of an offer to buy with respect to any persons not satisfying those requirements. See “Who May Invest.”

How to Subscribe for Interests

If, after carefully reading this entire Memorandum, you would like to purchase Interests, please complete and sign the enclosed Purchase Agreement and Subscription Agreement. The minimum purchase amount is a 0.18945% Interest (\$100,000 of equity), although the Manager may waive or lower the minimum purchase requirement for certain investors in its sole discretion. See “How to Subscribe.”

Acceptance of Subscriptions

Following receipt of your completed and signed Purchase Agreement and Subscription Agreement, verification of your investment qualifications and acceptance of your subscription by the Manager (in the Trust’s sole discretion), the Manager will notify you of the receipt and whether or not your subscription was accepted. The Manager may, in its sole discretion, accept or reject any subscription, in whole or in part, for a period of 30 days after receipt of the subscription. Any subscription not accepted within 30 days of receipt shall be deemed rejected. The Manager may terminate this Offering at any time.

If a prospective Investor's subscription is accepted, such prospective Investor shall deposit with the Trust's bank account an amount equal to the full amount of the Interests being subscribed for by such prospective Investor in immediately available funds on or before the Funding Date.

No Minimum Offering

There is no minimum amount of Offering Proceeds that must be raised or minimum number of Investors required in connection with this Offering. All proceeds from the sale of Interests will be delivered directly to the Trust's operating account.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

FEDERAL INCOME TAX CONSEQUENCES

The following discussion applies only if an Owner buys an Interest directly from the Trust pursuant to this Offering. You should not view the following analysis as a substitute for careful tax planning, particularly since the income tax consequences of an investment in an Interest are uncertain and complex. Also, the tax consequences will not be the same for all taxpayers. You should be aware that the following discussion necessarily condenses or eliminates many details that might adversely affect you significantly and does not address the tax issues that may be important to you if you are subject to special tax treatment, such as a foreigner or tax-exempt entity. Except where otherwise noted, this discussion does not discuss aspects of state and local taxation relating to an investment. Each prospective Investor should consult their own tax advisor about the specific tax consequences to them before investing in an Interest.

The following discussion of tax consequences is based on laws and regulations currently in effect and, except where noted, does not address state, local or foreign tax laws. You should be aware that new administrative, legislative or judicial action could significantly change the tax aspects associated with an Interest. In particular, the TCJA, as subsequently followed by other modifications enacted under the CARES Act and the OBBBA, has revised certain provisions of the federal income tax law that affect the tax consequences of real estate investments. Many of these provisions are complex and their scope and interpretations are presently uncertain.

Accordingly, there is uncertainty concerning certain tax aspects discussed herein, and there can be no assurance that the IRS will not challenge some of the deductions you may claim or positions you may take. Should the IRS challenge the tax treatment of an investment in an Interest, even if the challenge is unsuccessful, you could be faced with substantial legal and accounting costs in resisting the challenge.

You should not buy an Interest solely for the purpose of obtaining a tax shelter for income from other sources. An Interest is unlikely to provide any such tax shelter.

Before buying an Interest, you must represent and warrant that you:

- i. have independently obtained advice from your legal counsel and/or accountant about any tax-deferred exchange under Code Section 1031 and applicable state laws, including, without limitation, whether the acquisition of an Interest may qualify as part of a tax-deferred exchange, and you are relying on such advice;**
- ii. understand that neither the Trust, the Sponsor nor any of their affiliates have obtained a ruling from the IRS that an Interest will be treated, for Code Section 1031 purposes, as an undivided interest in real property as opposed to an interest in a partnership or a security;**
- iii. understand that the tax consequences of an investment in an Interest, especially the treatment of the transaction under Code Section 1031 and the related “1031 Exchange” rules, are complex and vary with the facts and circumstances of each individual Owner, and**
- iv. understand the opinion of Tax Counsel is only Tax Counsel’s view of the anticipated tax treatment and there is no guarantee that the IRS will agree with such opinion.**

Nature of Interests

Classification of Trust. The Sponsor has attempted to structure the Offering of Interests so that Owners will be treated for Code Section 1031 purposes as acquiring undivided interests in real estate and not either interests in a partnership or securities. If the Interests were to be so treated by the IRS or a court as either interests in a partnership or securities, then no Owner would be able to use its acquisition of Interests as part of a transaction to defer gain under Code Section 1031.

In connection with the Offering, on the date of this Memorandum, we obtained the Tax Opinion that (i) the Trust should be treated as an investment trust described in Treasury Regulation Section 301.7701-4(c) that is classified as a “trust” under Treasury Regulation Section 301.7701-4(a); (ii) the Owners should be treated as “grantors” of the Trust; (iii) as “grantors,” the Owners should be treated as owning an undivided fractional interest in each of the Properties for federal income tax purposes; (iv) the Interests should not be treated as securities for purposes of Code Section 1031; (v) the Interests should not be treated as certificates of trust or beneficial interests for purposes of Code Section 1031; (vi) the Master Lease should be treated as a true lease and not a financing for federal income tax purposes; (vii) the Master Lease should be treated as a true lease and not a deemed partnership for federal income tax purposes; (viii) the discussions of the federal income tax consequences contained in the Memorandum are correct in all material respects; and (ix) certain judicially created doctrines should not apply to change the foregoing conclusions. An Owner who is acquiring an Interest pursuant to a Section 1031 Exchange involving the sale of an interest in real property must be aware that in order to qualify under Code Section 1031 the Interest must be treated as an interest in real property.

Tax Counsel’s opinion is based upon existing cases and rulings, and in particular the analysis in Rev. Rul. 2004-86, 2004-33 IRB 191. Rev. Rul. 2004-86 sets forth the limited circumstances under which a Delaware statutory trust may be classified as an “investment trust” for federal income tax purposes rather than as a business entity taxable as a corporation or partnership. Rev. Rul. 2004-86 concludes that, because the beneficial owners of interests in an “investment trust” are “grantors” that are treated as directly owning an undivided fractional interest in the property held by the trust, the exchange of real property by such beneficial holders for an interest in the “investment trust” is treated as an exchange of real property for an interest in the investment trust’s real property rather than for an impermissible certificate of trust or beneficial interest under Code Section 1031.

Tax Counsel’s Tax Opinion that the Owners should be treated as grantors of the Trust would mean that an Owner is required to take into account, in computing his, her, or its income tax liability, his, her, or its proportionate share of all items of revenue and expenditure attributable to the Trust. In addition, all property owned by the Trust will be deemed for federal income tax purposes to be owned by the grantors in proportion to their ownership interests in the Trust based on the Tax Counsel’s Tax Opinion. Thus, an Owner should be treated as a grantor of the Trust because the Owner conveyed cash to the Trust in exchange for an Interest. In addition, each Owner will have a reversionary interest in the Trust corpus and will be automatically entitled to receive his proportionate share of the income of the Trust. Therefore, the Owners should be treated, for federal income tax purposes, as if they own the Properties held by the Trust, notwithstanding the fact that an Interest could be treated as intangible property or securities for securities law, state law, or local law purposes. The TCJA eliminated the specific exceptions under Code Section 1031 for securities and other intangible assets. Although the specific language providing for the exceptions has been eliminated, Tax Counsel believes that an analysis of these terms remains relevant and concludes that the Interests should not be treated as securities for purposes of Code Section 1031. However, due to the current lack of guidance regarding the scope of the TCJA’s amendment to Code Section 1031, it is possible that the IRS could take a contrary position on these issues.

The Sponsor has not received and will not request a private ruling from the IRS regarding the federal income tax classification of the Trust. After examining the relevant cases, Treasury Regulations, and rulings (including, in particular, Rev. Rul. 2004-86), however, Tax Counsel concluded that the Trust should be treated as an “investment trust” for federal income tax purposes. Tax Counsel also concluded that the Owners should be treated as “grantors” of the Trust under the grantor trust rules of the Code. Tax Counsel further believes that these conclusions are consistent with the underlying cases and rulings that govern whether a Delaware statutory trust is classified for federal income tax purposes as an “investment trust” or instead as a business entity taxable as a corporation or partnership.

There is always a risk that the IRS or a court may not agree with such opinions. The opinion of Tax Counsel will be predicated on all the facts and conditions set forth in the opinion and is not a guarantee of the current status of the law and should not be accepted as a guarantee that either the IRS or a court of law will concur in the opinion. If any of the facts or assumptions set forth in the opinion prove incorrect, it is possible that the tax consequences could change.

The Trust has been structured with a view to the trust addressed in Rev. Rul. 2004-86. However, distinctions exist between the Trust Agreement and other related arrangements and the trust and other related arrangements

described in Revenue Ruling 2004-86. Tax Counsel believes these distinctions are not material. These distinctions include, but are not limited to the following, which Tax Counsel views as those distinctions necessitating discussion and analysis: (i) the conversion of the Trust for tax purposes by the Sponsor from a “disregarded entity” for federal income tax purposes into an investment trust prior to admission of the Owners; (ii) the ongoing role of the Sponsor’s affiliate as Manager, but with powers limited to those permitted to be exercised by the Trustee; (iii) the potential conversion of the Trust into a Delaware limited liability company that would constitute a partnership for federal income tax purposes as a result of a LLC Conversion; (iv) the Trust’s acceptance of multiple contributions from purchasers of Class 1 Interests over time, rather than through a single contribution, (v) the fact that the Sponsor may retain a beneficial interest in the Trust during the period of the Offering; (vi) the fact that the Trust Agreement empowers the Manager (and only the Manager) to determine in its sole discretion when a Disposition of the Properties would be reasonable using its commercially reasonable business judgment and, thus, when the Properties shall be sold; and (vii) the obligation of the Trust to pay the Capital Expenses (as defined in the Master Lease) of the Properties, which includes capital expenditures with a term that exceeds the term of the Master Lease, and the right of the Master Lessee to use reserves to pay such Capital Expenses.

THE ABOVE IS A SUMMARY OF THE TAX OPINION FROM TAX COUNSEL. PROSPECTIVE INVESTORS AND PURCHASERS SHOULD CAREFULLY REVIEW THE TAX OPINION THAT IS ATTACHED HERETO AS EXHIBIT F IN ITS ENTIRETY.

Potential Significant Tax Costs If Interests Were Classified as either Interests in a Partnership or Securities for Code Section 1031 purposes. If the Owners were to be treated for tax purposes as purchasing either interests in a partnership or securities for Code Section 1031 purposes, the Owners would not qualify for deferral of gain under Code Section 1031, and each Owner who had relied on deferral of his gain from disposition of other interests in real property would immediately recognize such gain and be subject to federal income tax thereon. Moreover, since such determination would of necessity come after such Owner had purchased his Interest, such Owner would have no cash from the disposition of his original interests in real estate with which to pay the tax. Given the illiquid and long-term nature of an investment in the Interests, there would be no practical means of generating cash from an investment in the Interests to pay the tax. In such a case, an Owner will have to use funds from other sources to satisfy his federal income tax liability.

Treatment of the Master Lease as a Lease Rather Than a Financing

Transactions structured as leases may be recharacterized for federal income tax purposes to reflect their economic substance. For example, in appropriate circumstances a purported lease may be recharacterized as a conditional sales contract. Recharacterization of the Master Lease as a financing or other arrangement for federal income tax purposes would have significant tax consequences. For example, if the Master Lease were recharacterized as a financing, the Master Lessee would be treated as the owner of the Properties for federal income tax purposes. As a result, an Owner attempting to participate in a Section 1031 Exchange would not be treated as having received qualified replacement property when he, she or it acquired his, her or its Interest because the Owner would be treated as having made a loan to the Master Lessee. As the owner of the Properties for federal income tax purposes, the Master Lessee would be entitled to claim any depreciation deductions. To the extent that payments of “rent” were recharacterized as payments of interest and principal, the payment of principal would not be treated as the receipt of taxable income by the Owners and would not be deductible by the Master Lessee. All of these consequences could have a significant impact on the tax consequences of an investment in the Properties.

Revenue Procedure 2001-28 sets forth advance ruling guidelines for “true lease” status. These ruling guidelines provide certain criteria that the IRS will require to be satisfied in order to issue a private letter ruling that a lease is a “true lease” for federal income tax purposes. The Sponsor has not sought, and does not expect to request, a ruling from the IRS under Rev. Proc. 2001-28. In the event of an examination by the IRS, the IRS and, ultimately, the courts of applicable jurisdiction, would consider these ruling guidelines, together with existing cases and rulings, for purposes of determining whether a lease qualifies as a true lease for federal income tax purposes. However, Tax Counsel does not believe that strict compliance with Rev. Proc. 2001-28 is required to conclude that the Master Lease should be characterized as a true lease for federal income tax purposes. Rather, Tax Counsel believes that satisfying most of the material ruling guidelines should be sufficient for purposes of determining the characterization of the Master Lease at issue for federal income tax purposes. Tax Counsel is, therefore, opines that it believes the Master

Lease at issue satisfies the pertinent material conditions set forth in Rev. Proc. 2001-28 that Tax Counsel believes are necessary for characterization as a true lease and that the Lease should be treated as a true lease rather than a financing for federal income tax purposes. Although the Master Lease varies from the guidelines provided in Rev. Proc. 2001-28, Tax Counsel believes that this will not affect the status of the Master Lease.

Code Section 467 Rent Allocation.

Although the issue is not completely settled under existing law, under Code Section 467 of the Code, if the Master Lessee were to defer payment of rent the Owners may still be required to report and pay tax on rent in accordance with the Annual Base Rent schedule set forth on the Master Lease. As a result, Owners may be required to recognize rental income even though all of the rent may not be currently paid and, in such circumstances, may have to use funds from other sources to pay tax on such income. In addition, Owners may have to recognize imputed interest income on such deferred amounts.

Changes to the Section 1031 Exchange Rules Could Negatively Impact an Owner's Exit Strategy

The U.S. Congress periodically evaluates various proposed modifications to the Section 1031 Exchange rules that could, if enacted, prospectively repeal or restrict the ability to utilize a Section 1031 Exchange to achieve tax deferral on gain in connection with the disposition of real property or beneficial interests in a fixed investment trust. It is possible that repeal or amendment of Code Section 1031 or the Treasury Regulations promulgated thereunder could negatively impact the use of a Section 1031 Exchange in connection with an Owner's exit strategy.

Section 1031 Non-Recognition Treatment

Identification of Replacement Properties. Treasury Regulation Section 1.1031(k)-1(c)(4) permits taxpayers to identify alternative and multiple Replacement Properties under Code Section 1031. In general, a taxpayer must identify all potential Replacement Properties by midnight on the 45th day after the taxpayer's transfer of the Relinquished Property (the "**identification period**"). Any "like kind" property received by the taxpayer before the end of the identification period is deemed to have been identified before the end of the identification period. In addition, taxpayers are permitted to identify three properties without regard to the fair market value of the properties (the so-called "**three property rule**") or multiple properties with a total fair market value not in excess of 200% of the value of the Relinquished Property (the "**200% rule**"). In the event that the IRS successfully challenges the valuation of a Replacement Property under the 200% rule, and as a result the Replacement Properties identified by the taxpayer exceed 200% of the value of the taxpayer's Relinquished Property, the taxpayer's identification may be treated as invalid, which may invalidate the taxpayer's like-kind exchange under Section 1031. A taxpayer will also be treated as satisfying the Code Section 1031 identification rules with respect to any Replacement Property otherwise properly identified before the end of the identification period and received before the end of the period (the "**exchange period**") beginning on the date the taxpayer transfers the Relinquished Property and ending at midnight on the earlier of the 180th day thereafter or the due date (including extensions) for the taxpayer's return of the income tax imposed by the Code for the taxable year in which the transfer of the Relinquished Property occurs), but only if the taxpayer receives before the end of the exchange period identified Replacement Property the fair market value of which is at least 95 percent of the aggregate fair market value of all identified Replacement Properties (the "**95% rule**").

For purposes of both the 200% rule and 95% rule, "fair market value" means the fair market value of the applicable property without regard to any liabilities secured by the property. Thus, a taxpayer identifying under the 200% rule for an unencumbered Relinquished Property having a value of \$20 million could only identify Replacement Property(ies) having an aggregate gross fair market value (without regard to any liabilities which may encumber such property(ies)) of \$40 million, in which case the identification of a single Replacement Property having a \$30 million equity value but which is secured by a \$20 million liability (and, thus, having a \$50 million gross value) would violate the 200% rule.

The Trust holds a total of six Properties. The Properties will not constitute a single property for purposes of the three property rule and the Owners will not be able to rely on the three property rule for this Offering. The identification rules of Code Section 1031 are strictly construed, and an Owner's exchange will not qualify for deferral of gain under Code Section 1031 if too many properties, or properties having too much value (including by reason of

not excluding the effect of any loan for “fair market value” purposes) are identified, if the properties are not correctly identified, or if the deadlines for identification are not met. Owners will have to rely on the 200% rule or 95% rule with respect to the Offering and should seek the advice of their tax advisors prior to subscribing for the Interests or making an identification.

Other Requirements of Code Section 1031. Code Section 1031 provides for non-recognition of gain or loss only if real property held for use in a trade or business or for investment is exchanged for other real property of like-kind held for use in a trade or business or for investment. There are numerous requirements contained in the applicable provisions of the Code and Treasury Regulations concerning qualification for non-recognition under Code Section 1031. For instance, prospective Investors seeking to engage in a “deferred” exchange (within the meaning of Treasury Regulations Section 1.1031(k)-1) must properly identify one or more potential replacement properties within the 45-day identification period and complete the exchange within the 180-day exchange period. Such prospective Investors also should consider whether their arrangement falls within the “qualified intermediary” and/or “qualified escrow account” safe harbors of Treasury Regulations Section 1.1031(k)-1(g). Prospective Investors wishing to engage in a “reverse” or “parking” exchange should consult Rev. Proc. 2000-37, 2002-2 C.B. 308, which establishes a safe harbor for such exchanges. Each prospective Investor will have to determine with his, her, or its own tax advisors whether an exchange engaged in by the prospective Investor satisfies the requirements of Code Section 1031.

Receipt of Identified Property within the Exchange Period. In addition to satisfying the identification rules, a taxpayer seeking to complete a Section 1031 Exchange must actually receive the identified Replacement Property before the end of the exchange period (as defined above in “Section 1031 Non-Recognition Treatment” - “Identification of Replacement Properties” above).

Because there can be no assurance that an Owner’s offer to acquire an Interest will be accepted, an Owner pursuing a Section 1031 Exchange is strongly encouraged to (if and to the extent he is otherwise permitted to do so under the particular identification rules applicable to him) “identify” the maximum number of alternative Replacement Properties and not to identify only his prospective interest in each of the Properties purchased in this Offering.

Treatment as an Interest in a Partnership or Security. Code Section 1031 excludes an interest in a partnership or security from the categories of property that may qualify for nonrecognition. Thus, if the IRS were to classify the Interests as such for Code Section 1031 purposes, the Interests would not qualify as Replacement Property for a Section 1031 Exchange. Based on an analysis of relevant authorities, however, Tax Counsel concluded that, in all material respects, an Interest should not be considered an interest in a partnership or a security for purposes of Code Section 1031.

Tax Rates. Under current law, and subject to certain exceptions, long-term capital gains of individuals are generally subject to tax at a maximum federal income tax rate of 20% (25% for any long-term capital gains that constitute “unrecaptured Section 1250 gain”) and ordinary income of individuals is generally subject to a maximum federal income tax rate of 37% (reduced by the TCJA from 39.6%). In addition, the Code generally imposes on certain individuals, trusts, and estates an additional Medicare tax of 3.8% on the lesser of (i) “net investment income”, or (ii) the excess of modified adjusted gross income over a threshold amount. Prospective Investors should consult with their own tax advisors regarding the possible implications of the Medicare tax in light of their individual circumstances.

20% Passthrough Deduction. The TCJA, as revised by the OBBBA, also provides a 20% deduction on a taxpayer’s “qualified business income”. This deduction, under Code Section 199A, reduces the highest marginal effective tax rate for ordinary income from 37% to 29.6% for income arising from a “qualified trade or business” conducted by a partnership, S corporation, or sole proprietorship. For taxpayers above certain income thresholds, the “qualified trade or business,” as defined in Code Section 162, must have sufficient amounts of W-2 wages paid or a combined sufficient amount of wages plus the unadjusted basis of certain property. On January 18, 2019, the IRS announced the release of final regulations providing guidance regarding many of the open issues and technical questions posed with respect to Section 199A following passage of the TCJA, including final rules relating to aggregation of certain real estate activities engaged in through multiple partnerships or S corporations, as well as enumerating certain factors relevant for determining real estate trade or business status. In the final regulations, the IRS elected not to apply the grouping rules of Section 469; however, the final regulations allow for aggregation of

directly and indirectly held real estate businesses provided certain requirements set out in the final regulations are satisfied. Additionally, on January 18, 2019, the IRS announced the release of a related notice, Notice 2019-07, regarding a rental real estate trade or business safe harbor. In the notice, the IRS provided that certain taxpayers who meet the requirements of the notice will be allowed trade or business income treatment from certain “rental real estate enterprises.” However, the rental real estate trade or business safe harbor is not available where the property used by the taxpayer is subject to a triple net lease. The definition of a triple net lease for the purpose of Notice 2019-07 may overlap significantly with common lease provisions of master leases utilized in many DST structures, potentially including the Master Lease encumbering the Properties. Prospective Investors should consult with their own tax advisors regarding the possible application of Code Section 199A to their own particular circumstances.

Other Tax Consequences

Taxation of the Trust. Tax Counsel opines that the Trust should be treated as an “investment trust” described in Treasury Regulation Section 301.7701-4(c) that is classified as a “trust” under Treasury Regulation Section 301.7701-4(a) and, further, that the Owners should be treated as “grantors” of the Trust under the grantor trust rules of the Code. Accordingly, the Trust should not be subject to federal income tax and each Owner should be subject to federal income taxation as if it owned directly the portion of each of the Properties proportionate to the Interests owned by the Owner and as if it paid directly its share of expenses paid by the Trust.

The following discussion assumes that the Trust is, and the Interests represent interests in, an “investment trust” that is treated as a trust for federal income tax purposes.

Depreciation and Cost Recovery. Current federal income tax law allows an owner of improved real property to take depreciation deductions based on the entire cost of the depreciable improvements, even though such improvements are financed in part with borrowed funds. If, however, the purchase price of an Interest and the non-recourse liabilities to which a Property is subject are in excess of the fair market value of the Property, an Owner will not be entitled to take depreciation deductions to the extent deductions are derived from such excess.

The Code provides separate cost recovery rules for certain “qualified improvement property.” Qualified improvement property is any improvement to an interior portion of a building that is non-residential real property if the improvement is placed in service after the date the building itself was first placed in service. Prior to the TCJA, there were three categories of qualified improvement property (qualified leasehold improvement property, qualified restaurant property, and qualified retail improvement property) and each was subject to a 15-year recovery period. The TCJA, as revised by the CARES Act and the OBBBA, eliminated these categories and instead established a single 15-year recovery period for all qualified improvement property acquired or placed in service after January 19, 2025. Due to the limitations on expenditures for improvements imposed on the Trust, the Manager does not anticipate that the Trust will make significant expenditures for “qualified improvement property.”

Under the TCJA, as revised by the OBBBA, up to \$2,500,000 (inflation-adjusted) of certain improvements made to non-residential real property after the property is first placed in service may be expensed and currently deducted for tax purposes in the taxable years beginning after December 31, 2024 (subject to certain limitations and a phase-out for property exceeding \$4,000,000 in cost). Due to the limitations on expenditures for improvements imposed on the Trust, the Manager does not anticipate that the Trust will incur a significant amount of any such expenses. The amount of depreciation an Owner will be entitled to claim with respect to the Properties will depend on the Owner’s adjusted basis in depreciable assets that are part of the Properties. An Owner who acquires an Interest as part of a Section 1031 Exchange generally will have a “carryover” basis equal to such Owner’s basis in its Relinquished Property, decreased by the amount of money (if any) received in the Section 1031 Exchange and not reinvested in like-kind property in accordance with Code Section 1031, and increased by the amount of gain and decreased by the amount of loss the Owner recognized on such Section 1031 Exchange. In addition, the Owner’s basis must generally be allocated to each of the Properties and then among the depreciable and nondepreciable assets that comprise each Property and special rules apply to the determination of the period and method that must be used to calculate depreciation with respect to property received in a Section 1031 Exchange. Each Owner will have to compute his or her own depreciation, which may be different for different Owners.

Allocation of Liabilities (including for Code Section 1031 purposes). Any liabilities incurred by the Trust will be allocated, for federal income tax purposes, to the Owners pro rata in proportion to their Interests. For purposes of determining the purchase price of Replacement Property, and the amount of taxable “liability” boot that an Owner may have, in a Section 1031 Exchange, each Owner should be able to include their proportionate share of the liabilities that encumber the Properties at the time of the acquisition of an Interest. However, it is possible the IRS may take the view that the amount by which the price of an undivided interest in each of the Properties (including an Owner’s pro rata share of the liabilities that encumber the Properties) exceeds the pro rata share of the price paid by the Trust for each of the Properties, a portion of an Owner’s proportionate share of the Trust’s liabilities should not be treated as an “assumption of liabilities” in the Section 1031 Exchange, in which case the Owner could have taxable “liability” boot in his Section 1031 Exchange to the extent such amount of the liabilities not able to be so treated was being used by Owner to offset Owner’s liabilities either satisfied with the proceeds of the sale of his Relinquished Properties or assumed by the purchaser of his Relinquished Properties.

Payments to Sponsor and its Affiliates. Sponsor and its affiliates will receive various fees described elsewhere in this Memorandum. The tax treatment of some of these fees is set forth below.

Although each Owner should be treated for federal income tax purposes as buying an undivided interest in each of the Properties, it is possible the IRS may take the view that the amount by which the price of an undivided interest in each of the Properties exceeds the pro rata share of the price paid by the Trust for each of the Properties is not to be treated as a sale of real estate, but instead as a nondeductible capitalized item.

Real estate brokerage commissions (whether or not paid to affiliates of ExchangeRight) will be treated as capitalized expenditures and added to the basis of the Properties. Real estate brokerage commissions (whether or not paid to affiliates of the Sponsor) paid upon the sale, exchange, or disposition of the Properties will be treated as an adjustment to sales price.

Possible Adverse Tax Treatment for Closing Costs, Reserves and other costs of the Offering. A portion of the proceeds of the Offering will be used to pay each Owner’s pro rata share of closing costs, expenses, and other costs of the Offering. In addition, a portion of the proceeds of the Offering may be treated as having been used to purchase an interest in reserves established by the Sponsor rather than for real estate. Because the tax treatment of certain expenses of the Offering, closing costs, or reserves is unclear and may vary depending upon the circumstances, no advice or opinion of Tax Counsel will be given regarding the tax treatment of such costs and the treatment of proceeds attributable to the reserves, which may be taxable to those Owners who purchase their Interests as part of a Section 1031 Exchange. Therefore, each prospective Investor should seek the advice of a qualified tax advisor as to the proper treatment of such items.

Deductibility of Trust’s Fees and Expenses. In computing his or her federal income tax liability, an Owner will be entitled to deduct, consistent with his or her method of accounting, the Owner’s share of reasonable administrative fees, trustee fees and other fees, if any, paid or incurred by the Trust as provided in Section 162 or 212 of the Code, which may be subject to the limitations applicable to miscellaneous itemized deductions. The OBBBA permanently repealed all miscellaneous itemized deductions. As such, an Owner will not be able to deduct his or her share of such fees paid by the Trust during this period. However, if an Owner owns its Interests in connection with a trade or business, Trust fees and expenses may be deductible under Code Section 162. Owners should seek the advice of a qualified tax advisor as to the proper treatment of such items.

Conversion to the LLC. If an LLC Conversion occurs, the Properties will become owned by the LLC and the interests in the LLC will be held by the Owners. Under current law, such a deemed transfer or exchange would not be subject to federal income tax pursuant to Section 721 of the Code. The conversion could be subject, however, to state or local income, transfer or other taxes. In addition, there can be no assurance that such conversion will not be taxable under the federal income or other tax laws at the time the conversion occurs. Because an LLC Conversion could occur in several situations, and at any time, it is not possible to determine all of the tax consequences to the Owners in the event of an LLC Conversion. **PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF AN LLC CONVERSION AND THE EFFECT OF THE PROPERTIES BEING HELD BY THE PARTNERSHIP RATHER THAN THE TRUST.**

Impaired Ability to Defer Tax upon an LLC Conversion. Unlike interests in the Trust, membership interests in the LLC will not be treated as interests in real property for Code Section 1031 purposes, which means that such membership interests in the LLC may not be used for subsequent Section 1031 Exchanges.

THUS, IF THE TRUST CONVERTS TO THE LLC IN AN LLC CONVERSION, IT IS UNLIKELY THAT ANY OF THE OWNERS WHO RECEIVE INTERESTS IN THE LLC WILL THEREAFTER BE ABLE TO DEFER THE RECOGNITION OF GAIN UNDER CODE SECTION 1031 ON A SUBSEQUENT DISPOSITION OF THEIR MEMBERSHIP INTERESTS IN THE LLC.

Limitations on Losses and Credits from Passive Activities. Losses from passive trade or business activities generally may not be used to offset “portfolio income,” i.e., interest, dividends and royalties, or salary or other active business income. Deductions from passive activities may generally be used only to offset income from passive activities. Interest deductions, if any, attributable to passive activities are treated as passive activity deductions, and not as investment interest. Thus, such interest deductions, if any, are subject to limitation under the passive activity loss rules and not under the investment interest limitation. Credits from passive activities generally are limited to the tax attributable to the income from passive activities. Passive activities include: trade or business activities in which the taxpayer does not materially participate, and also generally include rental activities. Thus, an Owner’s share of the Properties’ income and loss will, in all likelihood, constitute income and loss from passive activities and will be subject to such limitations.

Losses (or credits that exceed the regular tax allocable to passive activities) from passive activities that exceed passive activity income are disallowed and can be carried forward and treated as deductions and credits from passive activities in subsequent taxable years. Disallowed losses from a passive activity, except for certain dispositions to related parties, are allowed in full when the taxpayer disposes of his or her entire interest in such passive activity in a taxable transaction.

In the case of rental real estate activities in which an individual actively participates, up to \$25,000 of losses (and credits in a deduction-equivalent sense) from all such activities are allowed each year against portfolio income and salary and active business income of the taxpayer. Except as discussed below with respect to “real estate professionals,” Owners will not, in all likelihood, be actively participating in the Properties’ rental real estate activities, and therefore will not be able to deduct any loss against their portfolio or active business income. Moreover, even if an Owner actively participates in rental real estate activities, there is a phase-out of the \$25,000 allowable loss equal to 50% of the amount by which an Owner’s adjusted gross income exceeds \$100,000. Therefore, if an Owner’s adjusted gross income is \$150,000 or more for any given year, they cannot use any of the \$25,000 passive losses to offset non-passive income under this rule.

Certain taxpayers can, in limited circumstances, deduct losses and credits from rental real estate activities against other income, such as salaries, interest, dividends, etc. A taxpayer qualifies for this exception to the passive loss rules described above if: (i) more than half of the personal services performed by the taxpayer in trades or businesses during a year are performed in real property trades or businesses in which the taxpayer materially participates, and (ii) the taxpayer performs more than 750 hours of services during the year in real property trades or businesses in which the taxpayer materially participates. Code Section 469(c) provides that a qualifying real estate professional must establish material participation in each separate rental activity. However, an exception allows a qualifying real estate professional to elect to aggregate all interests in rental real estate for purposes of measuring material participation. In the case of a joint return, one spouse must satisfy both requirements. A real property trade or business is any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing or brokerage trade or business. In determining whether a taxpayer performs more than half of his or her personal services in real property trades or businesses, services performed as an employee are disregarded unless the employee owns more than 5% of the employer. Prospective Investors should consult with their own tax advisor to determine if this rule applies to them.

Net Income and Loss of Each Owner. Each Owner will be required to determine his or her own net income or loss from the Properties and the Trust for income tax purposes. The Manager will keep records and provide information about expenses and income of the Properties and the Trust for each Owner. An Owner, however, will be required to keep separate records to separately report his income.

Any gain or loss realized on the sale or exchange of an Interest will generally be treated as capital gain or loss, provided the seller is not deemed a “dealer” in real property. In general, a “dealer” of real property is someone that holds the real property primarily for sale to customers in the ordinary course of his trade or business. In addition, courts have held that a taxpayer can be considered a dealer with respect to one real property interest. The question of “dealer” status is a question of fact, will depend on all of the facts and circumstances and will be determined at the time of a sale. If an Owner is deemed a “dealer” and his Interest is not considered either a capital asset or real property held by the Owner for more than one year and used by the Owner in a trade or business under Code Section 1231 (“**Section 1231 Asset**”), any gain or loss on the sale or other disposition of the Interest would be treated as ordinary income or loss. However, regardless of whether the selling Owner is a “dealer,” any portion of the gain that is attributable to unrealized receivables, depreciation recapture or inventory items will generally be treated as ordinary income. In general, if an Interest is considered a capital asset, any profit or loss realized on its sale or exchange (or the Disposition of the Properties) (except to the extent that such profit represents gain attributable to unrealized receivables or depreciation recapture taxable as ordinary income or “unrecaptured Section 1250 gain” subject to a maximum 25% federal tax rate) will be treated as capital gain or loss under the Code. Any such capital gains attributable to an asset held more than 12 months will generally be taxed to individuals at the highest applicable long-term capital gain tax rate. Finally, if an Owner that desired to use his Interest as Replacement Property in a Section 1031 Exchange were to be considered a “dealer” in respect of said Interest, then the Interest would not qualify as valid Replacement Property and, thus, would not enable the Owner to defer the recognition of any of his gain from the sale of his Relinquished Property under Code Section 1031.

It is possible that the gain realized upon the sale of an Interest or of any one or more of the Properties may exceed the cash proceeds of the sale, and, in some cases, the income taxes payable with respect to the gain realized on the sale may exceed such cash proceeds. If assets sold or involuntarily converted constitute Section 1231 Assets, gain or loss attributable to such assets would be combined with any other Code Section 1231 gains or losses realized by the Owner in that year, and the resulting net Code Section 1231 gains or losses would be taxed as capital gains or constitute ordinary losses, as the case may be. This treatment may be altered depending on the disposition of Code Section 1231 property over several years. In general, net Code Section 1231 gains are recaptured as ordinary income to the extent of net Code Section 1231 losses in the five preceding taxable years.

Treatment of Gifts of Interests. Generally, no gain or loss is recognized for federal income tax purposes as a result of a gift of property. Gifts of Interests may also be subject to a gift tax imposed under the rules generally applicable to all gifts of property.

Tax Elections. ExchangeRight will attempt to structure the Interests so that they will be treated as undivided interests in real property and not as interests in a partnership for Code Section 1031 purposes. As a result, any otherwise available or applicable election in respect of an Owner’s Interest and/or interest in the Properties would (or would not) be made by the Owner. However, if the Owners were to be treated as partners in a partnership for federal income tax purposes, any such available or applicable election would have to be made by the partnership. No mechanism is provided for the Trust to make any such elections.

Method of Accounting. An Owner will be required to report income under the Owner’s applicable accounting method.

Alternative Minimum Tax. Certain taxpayers may be subject to the alternative minimum tax in lieu of the regular income tax. The alternative minimum tax applies with respect to certain taxpayers to taxable income increased by designated tax preferences. Each Owner should consult with his or her tax advisor concerning the impact, if any, of the alternative minimum tax on the Owner.

The Medicare Tax. Section 1411 of the Code generally imposes on certain individuals, trusts, and estates an additional tax of 3.8% on the lesser of (i) “net investment income”, or (ii) the excess of modified adjusted gross income over a threshold amount. This tax applies in addition to normal income tax on such income. Prospective Investors should consult with their own tax advisors regarding the possible implications of the Medicare tax in light of their individual circumstances.

Activities Not Engaged in for Profit. Under Code Section 183, certain losses from activities not engaged in for profit are not allowed as deductions from other income. The determination of whether an activity is engaged in for profit is based on all of the facts and circumstances, and no one factor is determinative, although the Treasury Regulations indicate that an expectation of profit from the disposition of property will qualify as a profit motive. Code Section 183 has a presumption that an activity is engaged in for profit if income exceeds deductions in at least three out of five consecutive years. Although it is reasonable for an Owner to conclude that the Owner can realize a profit from an investment in an Interest as a result of cash flow and appreciation of the Properties, there can be no assurance that an Owner will be found to be engaged in an activity for profit because the applicable test is based on the facts and circumstances existing from time to time.

Limitation on Losses under the At-Risk Rules. An Owner that is an individual or closely held corporation will be unable to deduct losses from the Properties, if any, to the extent such losses exceed the amount such Owner is “at risk.” An Owner’s initial amount at risk will generally equal the sum of (1) the amount of cash paid for the Interest and (2) the amount, if any, of recourse financing obtained by the Owner to acquire its Interest. An Owner’s amount at risk will be reduced by the amount of any cash flow to such Owner and the amount of the Owner’s loss, and will be increased by the amount of the Owner’s income from the activity. Losses not allowed under the at-risk provisions may be carried forward to subsequent taxable years and used when the amount at risk increases. Tax Counsel will issue no opinion concerning the application of the at-risk rules to owners of Interests.

Limitation on Excess Business Loss Deduction. Under the TCJA, as revised by the CARES Act and made permanent by the OBBBA, excess business losses of a taxpayer other than a corporation are not allowed. Such losses are carried forward and treated as part of the taxpayer’s net operating loss carryforward in subsequent taxable years. An excess business loss for the taxable year is the excess of aggregate deductions of the taxpayer attributable to trades or businesses of the taxpayer over the sum of aggregate gross income or gain of the taxpayer plus a threshold amount. The threshold amount, which is indexed for inflation, is \$313,000 (or twice the applicable threshold amount in the case of a joint return) for 2025. The provision applies after the application of the passive loss rules and applies at the partner or shareholder level in the case of a partnership or S corporation.

Potential Tax Liability in Excess of Cash Distributions. It is possible that an Owner’s federal income tax liability resulting from its Interest will exceed its share of cash distributions from the Trust. This may occur because (among other reasons) (i) cash flow from the Properties may be used to fund nondeductible expenses of the Properties or (ii) in an extremely rare circumstance, a substitution of the Properties may result in taxable gain without cash proceeds. Thus, there may be years in which an Owner’s federal income tax liability exceeds its share of cash distributions from the Trust. The same consequences may result from a sale or transfer of an Interest, whether voluntary or involuntary. If any of these circumstances occur, an Owner would have to use funds from other sources to satisfy its tax liability.

Accuracy-Related Penalties and Penalties for the Failure to Disclose. The Code provides that penalties are applied to any portion of any understatement that was attributable to: (i) negligence or disregard of rules or regulations; (ii) any substantial understatement of income tax; or (iii) any substantial valuation misstatement. A 20% accuracy-related penalty is imposed on (i) listed or (ii) reportable transactions having a significant tax avoidance purpose. This penalty is increased to 30% if the transaction is not properly disclosed on the taxpayer’s federal income tax return. Failure to disclose such a transaction can also prevent the applicable statute of limitations from running in certain circumstances and can subject the taxpayer to additional disclosure penalties ranging from \$10,000 to \$200,000, depending on the facts of the transaction. Similarly, any interest attributable to unpaid taxes associated with a non-disclosed reportable transaction may not be deductible for federal income tax purposes.

Negligence is generally any failure to make a reasonable attempt to comply with the provisions of the Code and the term “disregard” includes careless, reckless, or intentional disregard.

A substantial understatement of income tax generally occurs if the amount of the understatement for the taxable year exceeds the greater of (i) 10% of the tax required to be shown on the return for the taxable year, or (ii) \$5,000 (\$10,000 in the case of a C corporation). Under the TCJA, the 10% threshold is reduced to 5% for taxpayers claiming the deduction for “qualified business income” under Code Section 199A.

A substantial valuation misstatement occurs if the value of any property (or the adjusted basis) is 150% or more of the amount determined to be the correct valuation or adjusted basis. The penalty generally doubles if the valuation is overstated by 200% or more. No penalty will be imposed unless the underpayment attributable to the substantial valuation misstatement exceeds \$5,000 (\$10,000 in the case of a C corporation).

The term reportable transaction means any transaction with respect to which information is required to be included with a return or statement because, as determined under regulations prescribed under Code Section 6011, such transaction is of a type which the IRS determines as having a potential for tax avoidance or evasion.

The term listed transaction means a reportable transaction which is the same as, or substantially similar to, a transaction specifically identified by the IRS as a tax avoidance transaction for purposes of Code Section 6011.

Except with respect to “tax shelters,” an accuracy-related penalty will not be imposed on an underpayment attributable to negligence, a substantial understatement of income tax, or a substantial valuation misstatement if it is shown that there was a reasonable cause for the underpayment and the taxpayer acted in good faith. A “tax shelter” includes a partnership if a significant purpose of the partnership is the avoidance or evasion of tax. In addition, an accuracy-related penalty will not be imposed on a reportable transaction or a listed transaction if it is shown that: (i) there is reasonable cause for the position; (ii) the taxpayer acted in good faith; (iii) the relevant facts of the transaction are adequately disclosed in accordance with the regulations prescribed under Code Section 6011; (iv) there is or was substantial authority for such treatment; and (v) the taxpayer reasonably believed that such treatment was more likely than not correct.

Reportable Transaction Disclosure and List Maintenance. A taxpayer’s ability to claim privilege on any communication with a federally authorized tax preparer involving a tax shelter is limited. In addition, taxpayers and material advisors must comply with disclosure and list maintenance requirements for reportable transactions. The Sponsor and Tax Counsel concluded that the sale of an Interest should not constitute a reportable transaction.

Accordingly, the Sponsor and Tax Counsel do not intend to make any filings pursuant to these disclosure or list maintenance requirements. There can be no assurances that the IRS will agree with this determination by the Sponsor and Tax Counsel. Significant penalties could apply if a party fails to comply with these rules, and such rules are ultimately determined to be applicable.

Codification of Economic Substance Doctrine and Strict Liability Penalties. In addition, in 2010, Congress codified the existing “economic substance doctrine” creating a new penalty equal to 20% of the portion of any underpayment attributable to the fact that a transaction lacks economic substance. The penalty increases to 40% if the transaction is not adequately disclosed and is imposed on a strict liability basis (i.e., the taxpayer may not avoid the penalty by demonstrating that their position was supported by substantial authority or that the taxpayer reasonably relied on advice from a tax advisor). The economic substance doctrine applies only if it is relevant to a transaction. The determination of whether the economic substance doctrine is relevant to a transaction shall be made in the same manner as if the doctrine had never been codified. In the case of any transaction to which the economic substance doctrine is relevant, the transaction is treated as having economic substance if (1) the transaction changes in a meaningful way (apart from Federal income tax effects) the taxpayer’s economic position, and (2) the taxpayer has a substantial purpose (apart from Federal income tax effects) for entering into such transaction. In rendering its opinion, Tax Counsel concluded that the economic substance doctrine should not apply and should not alter the tax consequences described in their opinion. There can be no assurance, however, that the IRS would agree.

State and Local Taxes. In addition to the federal income tax consequences described above, each Owner should consider the state tax consequences of an investment in an Interest. An Owner’s share of income or loss generally will be required to be included in determining its reportable income for state and local tax purposes. Under the OBBBA, beginning in tax year 2025, an individual or married filers cannot deduct more than \$40,000 of combined state and local income and property taxes annually (subject to phase-out for taxpayers with modified adjusted gross income above \$500,000), with a 1% annual increase in the \$40,000 limit until tax year 2029, when the limit reverts to \$10,000. Taxes attributable to income earned from the Interests should count towards such limitation. An Owner must seek the advice of its own independent tax advisor as to state and local tax issues.

CERTAIN CONSIDERATIONS APPLICABLE TO ERISA, GOVERNMENTAL AND OTHER PLAN INVESTORS

Employee benefit plans that are subject to the fiduciary provisions of ERISA (including, without limitation, pension and profit-sharing plans) and plans that are subject to Section 4975 of the Code (including, without limitation, IRAs) (each, a “Benefit Plan Investor”), as well as governmental plans and other employee benefit plans, accounts or arrangements that are not subject to the fiduciary provisions of ERISA or Section 4975 of the Code, and entities deemed to hold “plan assets” of any of the foregoing (collectively, with Benefit Plan Investors, referred to as “Plans”), may generally invest in the Trust, subject to the following considerations.

General Fiduciary Considerations for Investment in the Trust by Plan Investors

The fiduciary provisions of ERISA, and the fiduciary provisions of pension codes applicable to governmental or other employee benefit plans or retirement arrangements that are not subject to ERISA may impose limitations on investment in the Trust. Fiduciaries of Plans, in consultation with their advisors, should consider, to the extent applicable, the impact of such fiduciary rules and regulations on an investment in the Trust. Among other considerations, the fiduciary of a Plan should take into account the composition of the Plan’s portfolio with respect to diversification; the cash flow needs of the Plan and the effects thereon of the illiquidity of the investment; the economic terms of the Plan’s investment in the Trust; the Plan’s funding objectives; the tax effects of the investment and the tax and other risks described in the sections of this Memorandum discussing tax considerations and risk factors; the fact that the investors in the Trust are expected to consist of a diverse group of investors (including, taxable and tax-exempt entities) and the fact that the management of the Trust will not take the particular objectives of any investors or class of investors into account.

Plan fiduciaries should also take into account the fact that, while the Manager will have certain general fiduciary duties to the Trust, the Manager will not have any direct fiduciary relationship with or duty to any investor, either with respect to its investment in Interests or with respect to the management and investment of the assets of the Trust. Similarly, it is intended that the assets of the Trust will not be considered plan assets of any Plan or be subject to any fiduciary or investment restrictions that may exist under pension codes specifically applicable to such Plans. Each Plan will be required to acknowledge and agree in connection with its investment in Interests to the foregoing status of the Trust and the Manager and that there is no rule, regulation or requirement applicable to such investor that is inconsistent with the foregoing description of the Trust and the Manager.

Plan fiduciaries may be required to determine and report annually the fair market value of the assets of the Plan. Since it is expected that there will not be any public market for the Interests, there may not be an independent basis for the Plan fiduciary to determine the fair market value of the Interests.

ERISA and Other Benefit Plan Investors. A fiduciary acting on behalf of a Benefit Plan Investor, in addition to the matters described above, should take into account the following considerations in connection with an investment in the Trust.

ERISA Restrictions if the Trust Holds Plan Assets. If the Trust is deemed to hold plan assets of the investors that are Benefit Plan Investors, the investment in the Trust by each such Benefit Plan Investor could constitute an improper delegation of investment authority by the fiduciary of such Benefit Plan Investor. In addition, any transaction the Trust enters into would be treated as a transaction with each such Benefit Plan Investor and any such transaction (such as a property lease, sale or financing) with certain “parties in interest” (as defined in ERISA) or “disqualified persons” (as defined in Section 4975 of the Code) with respect to a Benefit Plan Investor could be a “prohibited transaction” under ERISA or Section 4975 of the Code. If the Trust were subject to ERISA, certain aspects of the structure and terms of the Trust could also violate ERISA.

ERISA Plan Assets. Under ERISA and regulations issued thereunder by the Department of Labor (the “Regulation”), generally, a Benefit Plan Investor’s assets would be deemed to include an undivided interest in each of the underlying assets of the Trust unless investment in the Trust by Benefit Plan Investors is not “significant” or the Trust constitutes an “operating company” (each as defined below).

Significant Investment by Benefit Plan Investors. Investment by Benefit Plan Investors would not be “significant” if less than 25% of the value of each class of equity Interests (excluding the interests of the Manager and any other person who has discretionary authority or control, or provides investment advice for a fee (direct or indirect) with respect to the assets of the Trust, and affiliates (other than a Benefit Plan Investor) of any of the foregoing persons) is held by Benefit Plan Investors. Commingled vehicles that are subject to ERISA are generally counted as Benefit Plan Investors for this purpose only to the extent of investment in such entity by Benefit Plan Investors.

The Manager reserves the right to reject subscriptions in whole or in part for any reason, including that the investor is a Benefit Plan Investor. The Manager will also have the authority to restrict transfers of Interests, and may require a full or partial withdrawal of any Benefit Plan Investor to the extent it deems appropriate to avoid having the assets of the Trust be deemed to be plan assets of any Benefit Plan Investor – see the discussions in the sections in this Memorandum on transfers and withdrawals.

Operating Company Status of Trust. If participation by Benefit Plan Investors in the Trust is “significant” as defined above, the Manager intends to conduct the operations of the Trust so as to qualify as an “operating company,” including a “real estate operating company” or a “venture capital operating company,” so that the assets of the Trust will not be considered “plan assets” of any Benefit Plan Investor. In order to constitute a “venture capital operating company” under the Regulation, an entity such as the Trust must, on its initial valuation date and during each annual valuation period, have at least 50% of its assets (valued at cost, excluding short-term investments pending long-term commitment or distribution) invested in operating companies with respect to which the entity obtains direct contractual rights to participate significantly in management decisions, and must regularly exercise its rights in the ordinary course of its business. In order to constitute a “real estate operating company” under the Regulation, an entity such as the Trust must, on its initial valuation date and during each annual valuation period, have at least 50% of its assets (valued at cost, excluding short-term investments pending long-term commitment or distribution) invested in real estate which is managed or developed and with respect to which such entity has the right to substantially participate directly in the management or development activities, and must engage directly, in the ordinary course of its business, in real estate management or development activities.

There is very little authority regarding the application of ERISA and the Regulation to entities such as the Trust, and there can be no assurance that the U.S. Department of Labor or the courts would not take a position or promulgate additional rules or regulations that could significantly impact the “plan asset” status of the Trust.

Prohibited Transaction Considerations. Fiduciaries of Benefit Plan Investors should also consider whether an investment in the Trust could involve a direct or indirect transaction with a “party in interest” or “disqualified person” as defined in ERISA and Section 4975 of the Code, and if so, whether such prohibited transaction may be covered by an exemption. ERISA contains a statutory exemption that permits a Benefit Plan Investor to enter into a transaction with a person who is a party in interest or disqualified person solely by reason of being a service provider or affiliated with a service provider to the Benefit Plan Investor, provided that the transaction is for “adequate consideration”. There are also a number of administrative prohibited transaction exemptions that may be available to certain fiduciaries acting on behalf of a Benefit Plan Investor. Fiduciaries of Benefit Plan Investors should also consider whether investment in the Trust could involve a conflict of interest. In particular, a prohibited conflict of interest could arise if the fiduciary acting on behalf of the Benefit Plan Investor has any interest in or affiliation with the Trust or the Manager.

Governmental Plans. Government sponsored plans are not subject to the fiduciary provisions of ERISA and are also not subject to the prohibited transaction provisions under Section 4975 of the Code. However, federal, state or local laws or regulations governing the investment and management of the assets of such plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code discussed above and may include other limitations on permissible investments. Accordingly, fiduciaries of governmental plans, in consultation with their advisors, should consider the requirements of their respective pension codes with respect to investments in the Trust, as well as the general fiduciary considerations discussed above.

The fiduciary of each prospective governmental plan investor will be required to represent and warrant that investment in the Trust is permissible, complies in all respects with applicable law and has been duly authorized.

Individuals Investing With IRA Assets. Interests sold by the Trust may be purchased or owned by investors who are investing assets of their IRAs. The Trust's acceptance of an investment by an IRA should not be considered to be a determination or representation by the Manager or any of its respective affiliates that such an investment is appropriate for an IRA. In consultation with its advisors, each prospective IRA investor should carefully consider whether an investment in the Trust is appropriate for, and permissible under, the terms of its IRA governing documents. IRA investors should consider in particular that the Interests will be illiquid and that it is not expected that a significant market will exist for the resale of the Interests, as well as the other general fiduciary considerations described above.

Although IRAs are not subject to ERISA, they are subject to the provisions of Section 4975 of the Code, prohibiting transactions with "disqualified persons" and investments and transactions involving fiduciary conflicts. A prohibited transaction or conflict of interest could arise if the fiduciary making the decision to invest has a personal interest in or affiliation with the Trust, the Manager or any of their respective affiliates. In the case of an IRA, a prohibited transaction or conflict of interest that involves the beneficiary of the IRA could result in disqualification of the IRA. A fiduciary for an IRA who has any personal interest in or affiliation with the Trust, the Manager or any of their respective affiliates, should consult with his or her tax and legal advisors regarding the impact such interest may have on an investment in Interests with assets of the IRA.

Investors that are IRAs should consult with their counsel and advisors as to the prohibited transaction, conflict of interest and other provisions of the Code applicable to an investment in the Trust.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Each Plan fiduciary should consult with its legal advisor concerning the considerations discussed above before making an investment in the Trust. No assurance can be given that future regulations, changes in administrative regulations or rulings or court decisions will not significantly modify the requirements summarized herein. Any such changes may be retroactive and thereby apply to transactions entered into prior to the date of their enactment or release.

ACCEPTANCE OF SUBSCRIPTIONS OF ANY PLAN IS IN NO RESPECT A REPRESENTATION BY THE TRUST, THE MANAGER, OR ANY OF THEIR AFFILIATES OR ANY OTHER PARTY THAT SUCH INVESTMENT MEETS THE RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO THAT PLAN OR THAT AN INVESTMENT IN THE TRUST OR ANY CONTINUED HOLDING OF TRUST INTERESTS IS AN APPROPRIATE OR PERMISSIBLE INVESTMENT FOR SUCH PLAN. EACH PLAN FIDUCIARY SHOULD CONSULT WITH HIS OR HER OWN LEGAL ADVISORS AS TO THE PROPRIETY OF AN INVESTMENT IN THE TRUST IN LIGHT OF THE SPECIFIC REQUIREMENTS APPLICABLE TO THAT PLAN.

Owners should note that a number of issues discussed in this Memorandum have not been definitively resolved by statutes, regulations, rulings or judicial opinions. Accordingly, no assurances can be given that the conclusions expressed herein will be accepted by the IRS or the Department of Labor, or, if contested, would be sustained by a court, or that legislative changes, administrative pronouncements or court decisions may not be forthcoming that would significantly alter or modify the conclusions expressed herein. Each prospective Investor must consult its own tax counsel about the tax consequences of an investment in an Interest.

The Tax Opinion is attached hereto as Exhibit F, and the discussion of federal tax issues herein, are written to support the promotion or marketing of a particular transaction. Each prospective Investor must seek advice based on the prospective Investor's particular circumstances from an independent tax advisor.

Role of Venable LLP as Tax Counsel. Venable LLP has acted solely as U.S. federal income Tax Counsel with respect to the Offering and, in such capacity, has considered certain ERISA matters with respect to the Trust. Venable LLP has not acted as securities counsel, real estate counsel, finance counsel, or in any other capacity with respect to the Offering. As Tax Counsel, Venable LLP has not conducted any due diligence or reviewed any of the reports or other due diligence materials with respect to the Properties or the potential Investors or Owners or any financial Pro Forma or similar information with respect to the Properties or the Offering. Tax Counsel's opinion and advice to the Sponsor relates solely to U.S. federal income tax issues and certain ERISA matters, and does not include advice on state or local income tax issues, property taxes, transfer taxes, stamp duty, lease tax or other non-income taxes, or any other non-tax issues. Venable LLP does not

represent the Owners. Prospective Investors, including Benefit Plan Investors, seeking legal advice should retain their own counsel, consult their own advisors about an investment in the Interests and conduct any due diligence they deem appropriate to verify the accuracy of the representations or information in this Memorandum.

LITIGATION

There are no legal actions pending, or to the knowledge of the Sponsor and the Manager, threatened against the Trust, the Sponsor, the Manager or the Master Lessee nor, to the knowledge of the Sponsor and the Manager, are any such actions contemplated which, if determined adversely, would have a material adverse effect on the Trust, the Sponsor, the Manager or the Master Lessee or their financial condition.

ADDITIONAL INFORMATION

The Sponsor will answer inquiries from prospective Investors concerning the Interests and other matters relating to the offer and sale of the Interests and will afford prospective Investors the opportunity to obtain any additional information to the extent they possess such information or can acquire such information without unreasonable effort or expense that is necessary to verify the information in this Memorandum. Prospective Investors are entitled to review copies of other material contracts relating to the Interests, the Trust, the Manager, the Master Lessee, the LLC or the Properties described in this Memorandum and copies of the various entities' organizational documents. Copies of all reports and financial statements prepared by third parties in connection with this Offering are available upon request to the Sponsor.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT A
TRUST AGREEMENT

TRUST AGREEMENT
OF
EXCHANGERIGHT NET-LEASED ALL-CASH 18 DST
DATED AS OF
AUGUST 27, 2025
BY AND AMONG
EXCHANGERIGHT REAL ESTATE, LLC,
AS DEPOSITOR,
EXCHANGERIGHT ASSET MANAGEMENT, LLC,
AS MANAGER
AND
GREGORY HARRISON,
AS TRUSTEE

TABLE OF CONTENTS

ARTICLE 1	DEFINITIONS AND INTERPRETATION.....	2
	Section 1.1 Definitions.....	2
ARTICLE 2	GENERAL MATTERS	6
	Section 2.1 Organizational Matters.....	6
	Section 2.2 Declaration of Trust and Statement of Intent.....	6
	Section 2.3 Purposes	7
ARTICLE 3	PROVISIONS RELATING TO TAX TREATMENT	7
	Section 3.1 Tax Provisions Control	7
	Section 3.2 Provisions Relating to Tax Treatment	7
ARTICLE 4	CONCERNING THE TRUSTEE.....	9
	Section 4.1 Power and Authority.....	9
	Section 4.2 Trustee May Request Direction	9
	Section 4.3 Trustee’s Capacity	9
	Section 4.4 Duties	10
	Section 4.5 Indemnification.....	10
	Section 4.6 Removal; Resignation; Succession.....	11
	Section 4.7 Fees and Expenses	12
	Section 4. Independent Director Provisions.....	12
ARTICLE 5	CONCERNING THE MANAGER	12
	Section 5.1 Power and Authority.....	12
	Section 5.2 Manager’s Capacity	13
	Section 5.3 Duties	13
	Section 5.4 Fees and Expenses	15
	Section 5.5 Disposition of Trust Estate by Manager Is Binding.....	15
	Section 5.6 Removal/ Resignation; Succession.....	15
ARTICLE 6	BENEFICIAL INTERESTS.....	16
	Section 6.1 Issuance of Class 1 and Class 2 Beneficial Ownership Certificates.....	16
	Section 6.2 Certain Rights and Powers of Class 2 Beneficial Owner Prior to Conversion Notice	16
	Section 6.3 Issuance of Conversion Notice	16
	Section 6.4 Rights and Powers of Class 1 Beneficial Owners.....	17

Section 6.5	Cash Contributed by Investors.....	17
Section 6.6	Agreement to be Bound	17
Section 6.7	Ownership Records.....	17
Section 6.9	Restrictions on Transfer.....	18
Section 6.10	Conditions to Admission of New Beneficial Owners.....	18
Section 6.11	Limit on Number of Beneficial Owners	18
Section 6.12	Representations, Warranties, Acknowledgements and Agreements of Beneficial Owners	18
Section 6.13	Status of Relationship	20
Section 6.14	Beneficial Owners and the Trust.....	20
ARTICLE 7	DISTRIBUTIONS AND REPORTS	21
Section 7.1	Distributions in General.....	21
Section 7.2	Distributions upon Dissolution	21
Section 7.3	Cash and other Accounts; Reports by the Manager.....	21
ARTICLE 8	RELIANCE; REPRESENTATIONS; COVENANTS	21
Section 8.1	Good Faith Reliance	21
Section 8.2	No Representations or Warranties as to Certain Matters.....	22
ARTICLE 9	TERMINATION.....	22
Section 9.1	Termination in General.....	22
Section 9.2	Conversion to LLC	23
Section 9.3	Disposition of the Real Estate.....	23
Section 9.4	Liability of Manager	24
Section 9.5	Manager’s Fee on Disposition	24
Section 9.6	Certificate of Cancellation	24
ARTICLE 10	MISCELLANEOUS	24
Section 10.1	Limitations on Rights of Other Persons.....	24
Section 10.2	Successors and Assigns.....	24
Section 10.3	Usage of Terms	24
Section 10.4	Headings.	25
Section 10.5	Side Letters	25
Section 10.6	Amendments	25
Section 10.7	Notices	25
Section 10.8	Governing Law	26

Section 10.9	Counterparts.....	26
Section 10.10	Severability	26
Section 10.11	Signature of Class 1 Beneficial Owners	26
Section 10.12	Anti-Assignment Exclusion.....	26
EXHIBIT A; REAL ESTATE		
EXHIBIT B; OWNERSHIP RECORDS FOR EXCHANGERIGHT NET-LEASED ALL-CASH 18 DST		
EXHIBIT C; FORM OF LIMITED LIABILITY COMPANY AGREEMENT		
EXHIBIT D; FORM OF CONVERSION NOTICE.....		

**TRUST AGREEMENT
OF
EXCHANGERIGHT NET-LEASED ALL-CASH 18 DST,
A DELAWARE STATUTORY TRUST**

This Trust Agreement, dated as of August 27, 2025 (as the same may be amended or supplemented from time to time, this “**Trust Agreement**”), is made by and among ExchangeRight Real Estate, LLC, a California limited liability company (the “**Depositor**”), ExchangeRight Asset Management, LLC, a California limited liability company, as Manager (the “**Manager**”), and Gregory Harrison, as Trustee (the “**Trustee**”).

RECITALS

A. The Depositor and Trustee have agreed to form ExchangeRight Net-Leased All-Cash 18 DST, a Delaware statutory trust (the “**Trust**”) by and in accordance with, and governed by, this Trust Agreement in accordance with Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. §§3801 *et seq.* (the “**Statutory Trust Act**”).

B. The Trust shall directly acquire the properties as more particularly described on Exhibit A (the “**Real Estate**”) from unaffiliated third party sellers (collectively, “**Sellers**”).

C. The Depositor intends to pay \$100 in cash to the Trust pursuant to this Trust Agreement in exchange for 100 newly-issued Class 2 Beneficial Interests (as hereinafter defined) in the Trust issued to Depositor.

D. The Depositor entered into a line of credit (the “**Line of Credit**”) with Ameris Bank (and its successors and assigns, the “**Pledgee**”) in part which shall be secured by the Class 2 Beneficial Interests (the “**Pledge**”) whereby the Line of Credit is repaid as cash is contributed by Investors (as hereinafter defined) and the pledged Class 2 Beneficial Interests are exchanged for Class 1 Beneficial Interests (as hereinafter defined) and the Pledge on the respective Class 2 Beneficial Interests shall be removed.

E. It is anticipated that the Investors will acquire Class 1 Beneficial Interests in the Trust in exchange for payment of cash to the Trust and become Class 1 Beneficial Owners (as hereinafter defined) in accordance with the provisions of this Trust Agreement, which cash will be used by the Trust to (i) pay commissions, costs, fees and expenses of the offering of Class 1 Beneficial Interests to the Investors by the Trust, and (ii) redeem the Depositor’s Class 2 Beneficial Interests on a proportionate basis, in each case, pursuant to Section 6.5 hereof. Upon the sale of all of the Class 1 Beneficial Interests, the Depositor will no longer have any interest in the Trust and no Class 2 Beneficial Interests will remain outstanding, all in accordance with the provisions of this Trust Agreement.

F. The Real Estate will be owned solely by the Trust and, along with the Master Lease Agreement (as hereinafter defined), will be the only non-cash assets of the Trust.

G. The Real Estate is intended to be subject to the Master Lease Agreement and the underlying tenant leases.

H. Concurrently with the acquisition of the Real Estate, the Trust will enter into a Master Lease Agreement with ExchangeRight Net-Leased All-Cash 18 Master Lessee, LLC, a Delaware limited liability company (“**Master Lessee**”) an Affiliate of the Depositor, under which the Trust will assign to the Master Lessee all rights and obligations under the leases to which the Real Estate is currently subject and the Master Lessee will pay the Annual Base Rent (as hereinafter defined) to the Trust.

I. The Trust has appointed the Manager to undertake certain actions and perform certain duties pursuant to this Trust Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

Section 1.1 Definitions. Capitalized terms used in this Trust Agreement shall have the following meanings:

“Affiliate” means, as to any Person, any other Person that (i) owns directly or indirectly ten percent (10%) or more of all equity interests in such Person, and/or (ii) is in Control of, is Controlled by or is under common Control with such Person, and/or (iii) is a director or officer of, or a general partner or managing member in, such Person or of an Affiliate of such Person.

“Annual Base Rent” means the amount of rent payable each year by the Master Lessee to the Trust pursuant to the Master Lease Agreement.

“Beneficial Interest” means a beneficial interest in the Trust, as such term is used in the Statutory Trust Act, which interests shall be Class 1 Beneficial Interests and/or Class 2 Beneficial Interests.

“Beneficial Owner” means each Person who, at the time of determination, holds a Beneficial Interest as reflected on the most recent Ownership Records.

“Business Day” means any day other than a Saturday, Sunday or any other day on which national banks in New York, New York is not open for business.

“Certificate of Trust” means the Certificate of Trust of the Trust filed with the Division of Corporations of the State of Delaware, as amended or amended and restated from time to time.

“Class 1 Beneficial Interests” means the Beneficial Interests held by the Investors.

“Class 2 Beneficial Interests” means the Beneficial Interests held by the Depositor.

“Class 1 Beneficial Owners” means the holders of Class 1 Beneficial Interests.

“Class 2 Beneficial Owner” means the holders of Class 2 Beneficial Interests.

“Closing Date” means that date of the first sale of Class 1 Beneficial Interests.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Control” means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other beneficial interests, by contract or otherwise, and Control shall not be deemed absent solely because another Person shall have veto power with respect to major decisions. The terms “Controlled” and “Controlling” shall have correlative meanings.

“Conversion Notice” means the notice, in substantially the form of Exhibit D, issued by the Depositor to the Trustee and the Manager.

“Depositor” has the meaning given to such term in the introductory paragraph hereof.

“Disposition” has the meaning given to such term in Section 9.3.

“Effective Date” means the date of this Trust Agreement as specified in the introductory paragraph hereof.

“Exhibit” means an exhibit attached to this Trust Agreement, unless otherwise specified.

“Independent Director” means a trustee of the Trust, who shall be an individual with at least three (3) years of employment experience serving as an independent director at the time of appointment who is provided by, and is in good standing with, CT Corporation, Corporation Service Company, National Registered Agents, Inc., Wilmington Trust Company, Stewart Management Company, Lord Securities Corporation or, if none of those companies is then providing professional independent directors, trustees or managers, in each case that is not an Affiliate of the Trust and that provides professional independent directors, trustees or managers and other corporate services in the ordinary course of its business, and which individual is duly appointed as a trustee of the Trust and is not, and has never been, and will not while serving as independent director, trustee or manager be: (i) a member (other than an independent, non-economic “springing” member), partner, equityholder, beneficiary, manager, director, officer or employee of the Trust, or any of its respective equityholders, beneficiaries or Affiliates (other than as an independent director, trustee or manager of an Affiliate of the Trust that is not in the direct chain of ownership of the Trust and that is required by a creditor to be a single purpose bankruptcy remote entity, provided that such independent director, trustee or manager is employed by a company that routinely provides professional independent directors, trustees or managers in the ordinary course of business); (ii) a customer, creditor, supplier or service provider (including provider of professional services) to the Trust or any of its respective equityholders, beneficiaries or Affiliates (other than a nationally-recognized company that routinely provides professional independent directors, trustees or managers and other corporate services to the Trust or any of its respective equityholders, beneficiaries or Affiliates in the ordinary course of business); (iii) a family member of any such member, partner, equityholder, beneficiary, manager, director, officer, employee, creditor, supplier or service provider; or (iv) a Person that Controls or is under common Control with (whether directly, indirectly or otherwise) any of the Persons referred to in clauses (i), (ii) or (iii) above. A natural person who otherwise satisfies the foregoing definition other than

subparagraph (i) by reason of being the independent director or trustee shall not be disqualified from serving as an independent director or trustee of the Trust, provided that the fees that such individual earns from serving as independent directors, trustees or managers of such Affiliates in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year.

“Independent Director Event” means, with respect to an Independent Director, (i) any acts or omissions by such Independent Director that constitute willful disregard of such Independent Director's duties under the applicable organizational documents, (ii) such Independent Director engaging in or being charged with, or being convicted of, fraud or other acts constituting a crime under any law applicable to such Independent Director, (iii) such Independent Director is unable to perform his or her duties as Independent Director due to death, disability or incapacity, or (iv) such Independent Director no longer meeting the definition of Independent Director in this Trust Agreement.

“Investors” means purchasers of Class 1 Beneficial Interests.

“Line of Credit” has the meaning given to such term in Recital D.

“LLC” means a newly formed Delaware limited liability company.

“LLC Agreement” has the meaning given to such term in Section 9.2(a).

“LLC Conversion” has the meaning given to such term in Section 9.2(b).

“Manager” means ExchangeRight Asset Management, LLC, a California limited liability company or any successor manager appointed pursuant to the terms of this Trust Agreement.

“Master Lease Agreement” means that Master Lease Agreement between the Trust and the Master Lessee relating to the Real Estate, together with all amendments, supplements and modifications thereto.

“Master Lessee” has the meaning given to such term in Recital H.

“Material Action” means to file a petition for relief with respect to the Trust under Title 11, United States Code (or any successor statute), to institute proceedings to have the Trust declared bankrupt or insolvent, or consent to the institution of bankruptcy, insolvency or similar proceedings against the Trust, or file a petition seeking, or consent to, reorganization or relief with respect to the Trust under any applicable Federal or state law relating to bankruptcy or insolvency, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Trust or any material part of the Trust Estate, or make any assignment for the benefit of creditors of the Trust, or admit in writing the Trust's inability to pay its debts generally as they become due, or take action in furtherance of any such action, or dissolve or liquidate the Trust (other than following the conveyance of the Real Estate as provided in Section 9.2), or consolidate or merge the Trust with or into any Person, or sell (other than as provided in Section 9.3) or exchange all or substantially all of the Trust Estate.

“Ownership Records” means the records maintained by the Manager, substantially in the

form of Exhibit B, indicating from time to time the name, mailing address and Percentage Share of each Beneficial Owner, which records shall be revised by the Manager contemporaneously to reflect the issuance of Beneficial Interests, changes in mailing addresses or other changes.

“Percentage Share” means, for each Beneficial Owner, the percentage of the aggregate Beneficial Interest in the Trust held by such Beneficial Owner as reflected on the most recent Ownership Records. For the avoidance of doubt, the sum of (a) the Percentage Share of the Class 1 Beneficial Interests and (b) the Percentage Share of the Class 2 Beneficial Interests at all times shall be 100%.

“Permitted Investment” has the meaning set forth in Section 7.1.

“Person” means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

“Pledge” has the meaning given to such term in Recital D.

“Pledged Interests” has the meaning given to such term in Section 10.12.

“Pledgee” has the meaning given to such term in Recital D.

“Pledge Transactions” has the meaning given to such term in Section 10.12.

“Property Manager” means NLP Management, LLC, an Iowa limited liability company or any successor property manager appointed pursuant to the terms of this Trust Agreement.

“Purchase Agreement” means the agreement to be entered into by the Trust (through the Manager), the Depositor and each Investor with respect to the acquisition of Class 1 Beneficial Interests.

“Real Estate” has the meaning given to such term in Recital B hereof.

“Real Estate Agreement” means the purchase agreement relating to the Real Estate between the Trust and Sellers, and all amendments and supplements thereto, together with all other documents and agreements executed in connection therewith or contemplated thereby.

“Regulations” means U.S. Treasury Regulations promulgated under the Code.

“Reserves” has the meaning given to such term in Section 7.1.

“Secretary of State” has the meaning given to such term in Section 2.1(b).

“Section” means a section of this Trust Agreement, unless otherwise specified.

“Securities Act” means the Securities Act of 1933, as amended.

“Sellers” has the meaning given to such term in Recital B hereof.

“Statutory Trust Act” has the meaning given to such term in Recital A hereof.

“Subsequent Transfer” has the meaning given to such term in Section 10.12.

“Transaction Documents” means the Trust Agreement, the Purchase Agreement and the Master Lease Agreement, together with any other documents to be executed in furtherance of the investment activities of the Trust.

“Trust Agreement” has the meaning given to such term in the introductory paragraph hereof.

“Trust Estate” means all of the Trust’s right, title, and interest in and to (a) the real property, consisting of all the Real Estate and improvements thereon, (b) the rights and remedies under the Master Lease Agreement, (iii) the specified payments required to be made under the tenant leases with respect to the Real Estate, (iv) amounts in or to be deposited in the Reserves, and (v) any proceeds of the foregoing.

“Trust Year” means (a) initially, the period of time commencing on the Closing Date and ending on the date that is 12 months later and (b) subsequently, each successive 12-month period thereafter.

“Trustee” means Gregory Harrison or any successor trustee appointed pursuant to Section 2.1(a) of this Trust Agreement.

“Trustee Covered Expenses” has the meaning given to such term in Section 4.5.

“Trustee Indemnified Persons” has the meaning given to such term in Section 4.5.

ARTICLE 2 GENERAL MATTERS

Section 2.1 Organizational Matters.

(a) Gregory Harrison is hereby appointed as the Trustee, and Gregory Harrison hereby accepts such appointment.

(b) The Depositor hereby authorizes and directs the Trustee to execute and file the Certificate of Trust in the office of the Secretary of State of the State of Delaware (the “Secretary of State”), and authorizes the Trustee to execute and file in the office of the Secretary of State such certificates as may from time to time be required under the Statutory Trust Act or any other Delaware law.

(c) The name of the Trust is “ExchangeRight Net-Leased All-Cash 18 DST.” Any reference to the Trust shall be a reference to the statutory trust formed pursuant to the Certificate of Trust and this Trust Agreement and not to the Trustee or the Manager individually or to the officers, agents or employees of the Trust, the Trustee or the Manager or any agents or representatives thereof.

(d) The principal office of the Trust, and such additional offices as the Manager may determine to establish, shall be located at such places inside or outside of the State of Delaware as the Manager shall designate from time to time. As of the Effective Date, the principal office of the Trust is located c/o the Manager at 1055 E. Colorado Blvd., Suite 310, Pasadena, CA 91106.

(e) Legal title to the Trust Estate shall be vested in the Trust as a separate legal entity.

Section 2.2 Declaration of Trust and Statement of Intent.

(a) The Trustee hereby declares that it shall hold the Trust Estate in trust for the benefit of the Beneficial Owners upon the terms set forth in this Trust Agreement.

(b) It is the intention of the parties that the Trust constitute a “statutory trust,” the Trustee is a “trustee,” the Manager is an “agent” of the Trust, the Beneficial Owners are “beneficial owners,” and this Trust Agreement is the “governing instrument” of the Trust, each within the respective meaning provided in the Statutory Trust Act.

Section 2.3 Purposes. The purposes of the Trust are, subject to this Trust Agreement, to: (a) acquire the Real Estate and enter into the Master Lease Agreement; (b) make monthly distributions to the Investors from cash generated by the Real Estate; (c) execute a Disposition via an exchange roll-up transaction pursuant to Section 721 of the Code to the operating partnership of the ExchangeRight Income Fund doing business as the ExchangeRight Essential Income REIT, a Maryland statutory trust, structured as a real estate investment trust (a “**REIT**”) or the operating partnership of another REIT managed and controlled by ExchangeRight (such operating partnership collectively referred to as an “**ExchangeRight REIT**”) and thereby targeting to provide individual Beneficial Owners with the following exit options: (1) complete an exchange pursuant to Section 721 of the Code into the acquiring ExchangeRight REIT; (2) participate in a tax-deferred cash out financing targeting 20% of the Beneficial Owner’s capital investment to be distributed as financing proceeds and an exchange of the remaining equity interests under Section 721 of the Code; (3) complete a tax-deferred exchange under Section 1031 of the Code (a “**Section 1031 Exchange**”); (4) cash out (not tax-deferred); or (5) any combination of the above exit options; and (d) take only such other actions as the Manager deems necessary to carry out the foregoing.

ARTICLE 3
PROVISIONS RELATING TO TAX TREATMENT

Section 3.1 Tax Provisions Control. This Article 3 contains certain provisions intended to achieve the desired treatment of the Trust, the Beneficial Owners and Beneficial Interests for United States federal income tax purposes. To the extent of any inconsistency between this Article 3 and any other provision of this Trust Agreement, this Article 3 shall supercede and be controlling; and the requirements of this Article 3 shall be enforceable to the maximum extent permissible under the Statutory Trust Act.

Section 3.2 Provisions Relating to Tax Treatment.

(a) Prior to the issuance of the Conversion Notice, the sole Beneficial Owner

of the Trust shall be the Depositor. The rights of the Depositor (as the Class 2 Beneficial Owner) with respect to the assets and property held by the Trust, as set forth in Section 6.10 hereof, are such that the Trust will be characterized at such time as a “business entity” within the meaning of Regulation Section 301.7701-3. Because the Depositor will be the sole Beneficial Owner, the Trust will be characterized as a disregarded entity, and all assets and property of the Trust shall be treated for and only for federal income tax purposes as assets and property of the Depositor.

(b) Upon the issuance of the Conversion Notice, the special rights of Depositor (as the Class 2 Beneficial Owner), as set forth in Section 6.2, will terminate, as set forth in Section 6.11, and the Depositor will have the same rights as a Class 1 Beneficial Owner. At that time, the Depositor will be deemed for federal income tax purposes to have transferred the Real Estate to a separate entity (the Trust) which will be classified for federal income tax purposes as specified in Section 3.2(c).

(c) It is the intention of the parties hereto that upon and at all times after the issuance of the Conversion Notice that the Trust shall constitute an investment trust pursuant to Regulation Section 301.7701-4(c) and each Beneficial Owner shall be treated as a “grantor” within the meaning of Code Section 671. As such, the parties further intend that each Beneficial Owner shall be treated for federal income tax purposes (but not for any other purposes) as if it holds a direct ownership interest in the Real Estate and all other assets comprising the Trust Estate. Each Beneficial Owner agrees to report its interest in the Trust in a manner consistent with the foregoing and otherwise not to take any action that would be inconsistent with the foregoing. Upon and after issuance of the Conversion Notice, none of the Trustee, the Manager, the Beneficial Owners and/or the Trust shall have any power and authority, or shall be authorized, and each of them is hereby expressly prohibited from taking, and none of them shall be allowed to take, any of the following actions:

(1) sell, transfer, exchange or otherwise dispose of the Real Estate except as required under Article 9 or as required to conserve and protect the Trust Estate;

(2) invest any cash held by the Trust (including reserves) in anything other than U.S. Treasury obligations or deposits in federally-insured institutions;

(3) reinvest any monies of the Trust, except to make minor non-structural modifications or repairs to the Real Estate permitted hereunder or in accordance with Section 7.1;

(4) upon the Disposition of the Real Estate pursuant to Article 9, re-invest the proceeds of such Disposition;

(5) enter into any financing, except in the case of the Master Lessee’s bankruptcy or insolvency;

(6) renegotiate, alter or extend the terms of the Master Lease Agreement or enter into new leases, except in the case of the Master Lessee’s bankruptcy or insolvency;

(7) make any modifications to the Real Estate other than minor non-structural modifications or repairs as necessary to maintain the Real Estate in as good a state as it

is on the date hereof, subject to wear and tear, or unless required by law;

(8) accept any capital contributions from a Beneficial Owner or other Person (other than capital from an Investor that will be distributed to the Depositor and reduce the Depositor's Percentage Share pursuant to this Trust Agreement); or

(9) take any other action which would cause the Trust to be treated as a business entity for federal income tax purposes or if the effect would be that such action or actions would constitute a power under the Trust Agreement to "vary the investment of the certificate holders" under Regulations Section 301.7701-4(c)(1) and Rev. Rul. 2004-86.

The Trust shall hold the Trust Estate for investment purposes and only lease the Real Estate to the Master Lessee. Except in the case of the Master Lessee's bankruptcy or insolvency, the activities of the Trust with respect to the Trust Estate shall be limited to the activities which are customary services in connection with the maintenance and repair of the Real Estate or necessary to cause the Trust and/or the Real Estate to comply with all applicable law, and none of the Trustee, Beneficial Owners, the Manager and their agents shall provide non-customary services, as such term is defined in Code Sections 512 and 856 and Rev. Rul. 75-374, 1975-2 C.B. 261. The Trust shall conduct no business other than as specifically set forth in Section 2.3 and this Section 3.2. Without limiting the generality of the foregoing, upon and after issuance of the Conversion Notice, (1) none of the Trustee, the Manager, the Beneficial Owners and the Trust shall have any power or authority to undertake any actions that are not permitted to be undertaken by an entity that is treated as a "trust" within the meaning of Regulations Section 301.7701-4 and not treated as a "business entity" within the meaning of Regulations Section 301.7701-3, and (2) this Trust Agreement shall be interpreted and enforced so as to be in compliance with the requirements of Rev. Rul. 2004-86, 2004-33 I.R.B. 191.

For federal income tax purposes, after issuance of the Conversion Notice, the Trust is intended to be and shall constitute an investment trust pursuant to Regulations Section 301.7701-4(c) and shall not constitute a "business entity."

ARTICLE 4 CONCERNING THE TRUSTEE

Section 4.1 Power and Authority. The Trustee shall have full power and authority, and is hereby authorized and empowered, to (a) accept legal process served on the Trust in the State of Delaware; and (b) execute any certificates that are required to be executed under the Statutory Trust Act and file such certificates in the office of the Secretary of State, and take such action or refrain from taking such action under this Trust Agreement as may be directed in a writing delivered to the Trustee by the Manager; provided, however, that the Trustee shall not be required to take or refrain from taking any such action if the Trustee shall believe, or shall have been advised by counsel, that such action or lack of action is (1) reasonably likely to involve the Trustee in personal liability, (2) contrary to the terms of this Trust Agreement or of any document contemplated hereby to which the Trust or the Trustee is or becomes a party, or (3) otherwise contrary to applicable law. The Manager agrees not to instruct the Trustee to do any of the foregoing actions or take any action that is contrary to the terms of this Trust Agreement, or of any document contemplated hereby to which the Trust or the Trustee is or becomes party or that is otherwise contrary to law. Other than as expressly provided in this Trust Agreement, the Trustee shall have no duty to take any action for or on behalf of the Trust.

Section 4.2 Trustee May Request Direction. If at any time the Trustee determines that it requires or desires guidance regarding the application of any provision of this Trust Agreement or any other document, any action that must or may be taken in connection herewith or therewith, or compliance with any direction it received hereunder, then the Trustee may deliver a notice to a court of applicable jurisdiction requesting written instructions as to the desired course of action. Such instructions as received from the court shall constitute full and complete authorization and protection for actions taken and other performance by the Trustee in reliance thereon. After delivering such notice, and until it has received such instructions, the Trustee shall be fully protected in refraining from taking any action with respect to the matters described in such notice.

Section 4.3 Trustee's Capacity. In accepting the trust hereby created, the Person acting as Trustee hereunder acts solely in such capacity and not in its individual capacity, and all Persons having any claim against the Trustee by reason of the transactions contemplated by this Trust Agreement, the Transaction Documents or any other document shall look only to the Trust Estate for payment or satisfaction thereof. Notwithstanding any provision of this Trust Agreement or any other document to the contrary, under no circumstances shall the Trustee, in its individual capacity or in its capacity as Trustee, (a) have any duty to choose or supervise, nor shall it have any liability for the actions or inactions of, the Manager or any officer, manager, employee, or other Person (other than itself and its own employees), or (b) be liable or responsible for, or obligated to perform, any contract, representation, warranty, obligation or liability of the Trust, the Manager or any officer, manager, employee or other Person (other than itself and its own employees); provided, however, that this limitation shall not protect the Trustee against any liability to the Beneficial Owners to which it would otherwise be subject by reason of its willful misconduct, bad faith, fraud or gross negligence in the performance of its duties as Trustee under this Trust Agreement.

Section 4.4 Duties. The Trustee has primary responsibility for performing the actions set forth in Section 4.1. None of the Trustee or any successor trustee, in its individual capacity

and as Trustee, shall have any duty or obligation under or in connection with this Trust Agreement, the Trust or any transaction or document contemplated hereby except as expressly provided by the terms of this Trust Agreement, and no implied duties or obligations shall be read into this Trust Agreement against the Trustee or any successor trustee. The right of the Trustee to perform any discretionary act enumerated herein shall not be construed as a duty. To the fullest extent permitted by applicable law, including without limitation Section 3806 of the Statutory Trust Act, the Trustee's or any successor trustee's duties (including fiduciary duties, if any) and liabilities relating thereto to the Trust and the Beneficial Owners shall be restricted to those duties (including fiduciary duties, if any) expressly set forth in this Trust Agreement and liabilities relating thereto.

Section 4.5 Indemnification. The Manager hereby agrees to (a) reimburse the Trustee or any successor trustee, in its individual capacity and as Trustee, for all reasonable expenses (including reasonable fees and expenses of counsel and other professionals) incurred in connection with the negotiation, execution, delivery, or performance of, or exercise of rights or powers under, this Trust Agreement, (b) indemnify, defend and hold harmless, to the fullest extent permitted by applicable law, the Trustee or any successor trustee, in its individual capacity and as Trustee, and the officers, directors, employees and agents of the Trustee or any successor trustee, in its individual capacity and as Trustee, (collectively, the "Trustee Indemnified Persons") from and against any and all losses, damages, liabilities, claims, actions, suits, costs, expenses, disbursements (including reasonable fees and expenses of counsel and other professionals), taxes and penalties of any kind and nature whatsoever arising out of or imposed upon or asserted at any time against such Trustee Indemnified Persons, including, without limitation, on the basis of ordinary negligence on the part of any such Trustee Indemnified Persons, with respect to or in connection with this Trust Agreement, the Trust, or any transaction or document contemplated hereby (collectively, "Trustee Covered Expenses"); provided, however, that the Manager shall not be required to indemnify a Trustee Indemnified Person for Trustee Covered Expenses to the extent such Trustee Covered Expenses result from the willful misconduct, bad faith, fraud or gross negligence of such Trustee Indemnified Person, and (c) advance to each such Trustee Indemnified Person, to the fullest extent permitted by applicable law, Trustee Covered Expenses incurred by such Trustee Indemnified Person in defending any claim, demand, action, suit or proceeding in connection with this Trust Agreement, the Trust or any transaction or document contemplated hereby prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Manager of an undertaking, by or on behalf of such Trustee Indemnified Person, to repay such amount if a court of competent jurisdiction renders a final, nonappealable judgment that includes a specific finding of fact that such Trustee Indemnified Person is not entitled to be indemnified therefor under this Section 4.5. The obligations of the Manager under this Section 4.5 shall survive the resignation or removal of the Trustee, the dissolution and termination of the Trust, and the termination, amendment, supplement and/or restatement of this Trust Agreement. The obligations of the Manager under this Section 4.5 shall be obligations irrespective of the sufficiency or insufficiency of the Trust Estate to satisfy any such obligations (but the foregoing reference to the Trust Estate shall not be construed to create any obligation on the part of the Trust for the indemnification obligations of the Manager hereunder).

Section 4.6 Removal; Resignation; Succession.

(a) The Trustee may resign at any time by giving at least 60 days' prior written notice to the Manager.

(b) The Manager may at any time remove the Trustee for cause by written notice to the Trustee. For purposes of this Section 4.6, “cause” shall only result from the willful misconduct, bad faith, fraud or gross negligence of the Trustee.

(c) Such resignation or removal as set forth above shall be effective upon the acceptance of appointment by a successor trustee as hereinafter provided. In case of the removal or resignation of the Trustee, the Manager may appoint a successor trustee by written instrument. In case of the resignation of the Trustee, if a successor trustee shall not have been appointed within 60 days after the Trustee gives notice of its resignation, the Trustee or any of the Beneficial Owners may apply to any court of competent jurisdiction in the United States to appoint an interim successor trustee to act until such time, if any, as a successor trustee shall have been appointed as provided above. Any successor trustee so appointed by such court shall immediately and without further act be superseded by any successor trustee appointed as provided above within one year from the date of the appointment by such court. Any successor trustee, however appointed, shall execute and deliver to its predecessor trustee an instrument accepting such appointment, and thereupon such successor trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor trustee in the trusts under this Trust Agreement with like effect as if originally named the Trustee herein. Notwithstanding the foregoing, upon the written request of such successor trustee, such predecessor shall execute and deliver an instrument transferring to such successor trustee, upon the trusts herein expressed, all the estates, properties, rights, powers, duties and trusts of such predecessor trustee, and such predecessor trustee shall duly assign, transfer, deliver and pay over to such successor trustee all monies or other property then held by such predecessor trustee upon the trusts herein expressed. Any rights of the Beneficial Owners against a predecessor trustee in its individual capacity shall survive the resignation or removal of such predecessor trustee, shall survive the dissolution and termination of the Trust and shall survive the termination, amendment, supplement and/or restatement of this Trust Agreement.

(d) Any successor trustee, however appointed, shall be a bank or trust company satisfying the requirements of Section 3807(a) of the Statutory Trust Act. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Trustee may be transferred, shall, subject to the preceding sentence, be the Trustee under this Trust Agreement without further act.

Section 4.7 Fees and Expenses. The Trustee shall receive as compensation for its services hereunder (i) a fee of \$750 payable upon the execution of this Trust Agreement, and (ii) an annual fee of \$750 payable on each anniversary of the Effective Date, which \$750 fees shall be payable by the Trust along with its annual accounting fees of the Trust which shall be payable out of the \$20,000 being annually reserved for Bank Fees, Tax Preparation, Filing Costs, master lease guarantee fees, and other unreimbursed expenses related to the Properties. The Trustee shall not have any obligation by virtue of this Trust Agreement to spend any of its own funds or to take any action that could result in its incurring any cost or expense.

Section 4.8 Independent Director Provisions. During the term of this Trust Agreement (i) at all times there shall be, and the Trust shall cause there to be, at least one Independent Director, and the Trustee shall be an Independent Director; (ii) the Trustee shall not take any Material Action which, under the terms of the Certificate of Trust or Trust Agreement requires unanimous vote of the trustees or managers of the Trust, unless at the time of such action there shall be at least one trustee who is an Independent Director; (iii) the Trust shall not, without the unanimous written consent of its Trustee or Manager, including the Independent Director, on behalf of itself, take any Material Action or any action that might cause the Trust to become insolvent, and when voting with respect to such matters, the Trustee shall, to the fullest extent permitted by law, including Section 18-1101(c) of Chapter 18 of Title 6 of the Delaware Code, as amended from time to time (the “Act”), and notwithstanding any duty otherwise existing at law or in equity, consider only the interests of the Trust (including its respective creditors), and except for its duties to the Trust with respect to voting on matters as set forth immediately above (which duties shall extend to the constituent equity owners and/or beneficiaries of the Trust solely to the extent of their respective economic interests in the Trust, but shall exclude (A) all other interests of such constituent equity owners and/or beneficiaries, (B) the interests of other Affiliates of the Trust, and (C) the interests of any group of Affiliates of which the Trust is a part), the Trustee shall not have any fiduciary duties to such constituent equity owners or beneficiaries, any officer or any other Person; provided, however, the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing; and (iv) no Trustee of the Trust may be removed or replaced other than as a result of an Independent Director Event; provided, however, no resignation or removal of the Trustee shall be effective until a successor Trustee is appointed and has accepted his or her appointment.

ARTICLE 5 CONCERNING THE MANAGER

Section 5.1 Power and Authority. The activities and affairs of the Trust shall be managed exclusively by or under the direction of the Manager. Except where this Trust Agreement requires the joint action of the Manager and the Trustee, the Manager shall have full power and authority, and is hereby authorized and empowered, to manage the Trust Estate and the activities and affairs of the Trust, execute and deliver all documents (including, without limitation, the Transaction Documents) for or on behalf of the Trust, and cause the Trust to sue or be sued under its name, subject to and in accordance with the terms and provisions of this Trust Agreement; provided, however, that the Manager shall have no power to engage on behalf of the Trust in any activities that the Trust could not engage in directly; further provided, however, that the Manager shall at all times be subject to the control and authority of the Trust. The Manager shall have the power and authority, and is hereby authorized, empowered and directed by the Trust, to enter into, execute and deliver, and to cause the Trust to perform its obligations under, each of the Transaction Documents to which the Trust is or becomes a party or signatory and, in furtherance thereof, the Class 2 Beneficial Owner, at any time prior to the issuance of the Conversion Notice, may confirm such authorization, empowerment and direction and otherwise direct the Manager in connection with the management of the activities and affairs of the Trust. The Manager may, in its sole discretion, employ such Persons (on its own behalf, or on behalf of the Trust, as the case may be), including Affiliates of the Manager, as it deems necessary for the efficient operation of the Trust.

Section 5.2 Manager’s Capacity. The Manager acts solely as an agent of the Trust and not in its individual capacity, and all Persons having any claim against the Manager by reason of

the transactions contemplated by this Trust Agreement, the Transaction Documents or any other document shall look only to the Trust Estate for payment or satisfaction thereof. Notwithstanding any provision of this Trust Agreement to the contrary, the Manager shall not have any liability to any Person except for (i) its own willful misconduct, bad faith, fraud or gross negligence in the performance of its duties as Manager under this Trust Agreement and (ii) the obligations set forth in Section 4.5.

Section 5.3 Duties.

(a) The Manager has primary responsibility for performing the administrative actions set forth in this Section 5.3. In addition, the Manager shall have the obligations with respect to a LLC Conversion and a potential Disposition of the Trust Estate as set forth in Article 9. The Manager shall not have any duty or obligation under or in connection with this Trust Agreement, the Trust or any transaction or document contemplated hereby, except as expressly provided by the terms of this Trust Agreement, and no implied duties or obligations shall be read into this Trust Agreement against the Manager. The right of the Manager to perform any discretionary act enumerated herein shall not be construed as a duty. To the fullest extent permitted by applicable law, including without limitation Section 3806 of the Statutory Trust Act, the Manager's duties (including fiduciary duties, if any) and liabilities relating thereto to the Trust and the Beneficial Owners shall be restricted to those duties (including fiduciary duties, if any) expressly set forth in this Trust Agreement and liabilities relating thereto. The Manager expressly reserves the right to invest in, pursue, develop, own, manage, operate or otherwise participate in (including, without limitation, as an investor in, lender to or consultant or advisor to, or director, officer or manager of, any other entity) all business opportunities of any nature for its own account, including opportunities that may directly or indirectly compete with the Trust or the Real Estate. The Manager shall not have any obligation to first present such business opportunities to the Trust or allow the Trust or any Beneficial Owners to share or participate in such other investments or activities or to the income or proceeds derived therefrom.

(b) Without limiting the generality of Section 5.3(a), upon and after the issuance of the Conversion Notice, the Manager is hereby authorized and directed, as agent of the Trust, to take each of the following actions necessary to conserve and protect the Trust Estate:

- (1) acquire title to the Real Estate subject to the tenant leases;
- (2) enter into the Master Lease Agreement with the Master Lessee;
- (3) collect rents and make distributions in accordance with Article 7;
- (4) enter into any agreement for purposes of enabling one or more of the Beneficial Owners to complete exchanges of real property with a Qualified Intermediary as defined in Section 1031 of the Code (provided that in no event shall the Trust acquire title to any real property other than the Real Estate);
- (5) notify the relevant parties of any default by them under the Transaction Documents; and
- (6) solely to the extent necessitated by the bankruptcy or insolvency of

the Master Lessee, if the Trust has not terminated under Section 9.2, enter into a new Master Lease Agreement or other arrangement with respect to the Real Estate.

(c) The Manager shall keep customary and appropriate books and records relating to the Trust and the Trust Estate. The Manager will keep customary and appropriate books and records of account for the Trust at the Manager's principal place of business. The Owners (or their duly authorized representatives) may inspect, examine and copy the Trust's books and records at any time during normal business hours. The Manager shall maintain appropriate books and records in order to provide reports of income and expenses to each Beneficial Owner as necessary for such Beneficial Owner to prepare their income tax returns, which income tax information will be provided on or before January 31st of each year.

(d) The Manager shall promptly furnish to the Beneficial Owners copies of all reports, notices, requests, demands, certificates, financial statements and any other writings required to be distributed to them pursuant to the Transaction Documents (unless the Manager reasonably believes the same to have been sent directly to the Beneficial Owners).

(e) The Manager shall not be required to act or refrain from acting under this Trust Agreement if the Manager reasonably determines, or has been advised by counsel, that such actions or lack of action may result in personal liability, unless the Manager is indemnified by the Trust and the Beneficial Owners against any liability and costs (including reasonable legal fees and expenses) in a manner and form reasonably satisfactory to the Manager.

(f) The Manager shall not, on its own behalf (as opposed to actions that the Manager is required to perform on behalf of the Trust), have any duty to (1) (i) file, record or deposit any document, (ii) maintain any such filing, recording or deposit or (iii) refile, rerecord or redeposit any such document, (2) obtain or maintain any insurance on the Real Estate, (3) maintain the Real Estate, (4) pay or discharge any tax levied against any part of the Trust Estate, or (5) inspect the Real Estate at any time.

(g) The Manager shall manage, control, dispose of or otherwise deal with the Trust Estate consistent with its duties to conserve and protect the Trust Estate, subject to any restrictions required by the Master Lease Agreement or otherwise as provided in this Trust Agreement.

(h) The Manager shall provide to each Person who becomes a Beneficial Owner a copy of this Trust Agreement at or before the time, in the sole discretion of the Manager, such Person becomes a Beneficial Owner.

(i) The Manager shall provide to the Trustee a copy of the Ownership Records contemporaneously with each revision thereto.

(j) All payments to be made by the Manager under this Trust Agreement shall be made from the Trust Estate.

Section 5.4 Fees and Expenses. For services rendered in connection with the management of the Real Estate pursuant to a separate Property Management Agreement between the Master Lessee and Property Manager, the Property Manager shall receive an annual fee of

2.90% of the gross operating income of the Real Estate; (“Management Fee”); provided, however, 0.40% of the aggregate annual Management Fee paid pursuant to such Property Management Agreement shall be assigned and paid to the Manager for its asset management services with respect to the Real Estate, as well as the fee set forth in Section 9.5. The Property Manager and the Manager shall have no obligation by virtue of this Trust Agreement to spend any of their own funds or take any action that could result in incurring any other costs.

Section 5.5 Disposition of Trust Estate by Manager Is Binding. Subject to the terms of the Master Lease Agreement, any Disposition or other conveyance of the Trust Estate or any part thereof by the Manager pursuant to the terms of this Trust Agreement shall bind the Trust and the Beneficial Owners and be effective to transfer or convey all rights, title and interest of the Trust and the Beneficial Owners in and to that portion of the Trust Estate sold or otherwise conveyed.

Section 5.6 Removal/ Resignation; Succession.

(a) The Manager may resign at any time by giving at least 60 days’ prior written notice to the Trustee.

(b) The Trustee may at any time remove the Manager for cause by written notice to the Manager. For purposes of this Section 5.6, “cause” shall only result from the willful misconduct, bad faith, fraud or gross negligence of the Manager.

(c) Such resignation or removal as set forth above shall be effective upon the acceptance of appointment by a successor manager as hereinafter provided. In case of the removal or resignation of the Manager, the Trustee may appoint a successor manager by written instrument. In case of the resignation of the Manager, if a successor Manager shall not have been appointed within 60 days after the Manager gives notice of its resignation, the Trustee or any of the Beneficial Owners may apply to any court of competent jurisdiction in the United States to appoint an interim successor manager to act until such time, if any, as a successor manager shall have been appointed as provided above. Any successor manager so appointed by such court shall immediately and without further act be superseded by a successor manager appointed as provided above within one year from the date of the appointment by such court. Any successor manager, however appointed, shall execute and deliver to its predecessor Manager an instrument accepting such appointment, and thereupon such successor, without further act, shall become vested with all the rights, powers and duties of the predecessor Manager in the trusts hereunder with like effect as if originally named the Manager herein. Notwithstanding the foregoing, upon the written request of such successor manager, such predecessor manager shall execute and deliver an instrument transferring to such successor, upon the trusts herein expressed, all the rights, powers and duties of such predecessor manager and such predecessor manager shall duly assign, transfer, deliver and pay over to such successor manager all monies or other property then held by such predecessor trustee upon the trusts herein expressed. Any right of the Beneficial Owners against a predecessor manager in its individual capacity shall survive the resignation or removal of such predecessor manager, the dissolution and termination of the Trust and the termination, amendment, supplement and/or restatement of this Trust Agreement.

ARTICLE 6
BENEFICIAL INTERESTS

Section 6.1 Issuance of Class 1 and Class 2 Beneficial Ownership Certificates.

(a) The Trust shall not be required to issue certificates to represent the Class 1 and Class 2 Beneficial Interests. The Percentage Share of the Class 2 Beneficial Owner prior to the issuance of any Class 1 Beneficial Interests (pursuant to Sections 6.1(b)) shall be 100%.

(b) Promptly after the issuance of the Conversion Notice pursuant to Section 6.3, the Ownership Records shall be updated with respect to each Investor who has executed a Purchase Agreement and contributed all cash required by it to be contributed to the Trust. No portion of the cash contributed by the Investors to the Trust will be placed into any Reserves with respect to the Real Estate. The amount of cash contributed by, and the Percentage Share of, each Investor shall be determined by the Manager and shall be set forth in the Purchase Agreement for each Investor.

Section 6.2 Certain Rights and Powers of Class 2 Beneficial Owner Prior to Conversion Notice. Prior to the issuance of the Conversion Notice, the Class 2 Beneficial Owner shall have the right and power, at its sole discretion (but subject to the restrictions in Article 3), to:

- (a) Contribute additional assets to the Trust;
- (b) Cause the Trust to negotiate or re-negotiate loans or leases;
- (c) Cause the Trust to sell all or any portion of its assets and re-invest the proceeds of such sale or sales; and
- (d) Pledge the Class 2 Beneficial Interests as collateral for the Line of Credit pursuant to the Line of Credit transaction with Pledgee; provided that the funds received from Investors shall be used to immediately repay a pro rata portion of the principal and interest associated with any such Line of Credit and when the Class 2 Beneficial Interests are exchanged for Class 1 Beneficial Interests in consideration for cash contributed by Investors, the Pledge on the respective Class 2 Beneficial Interests shall be removed.

It is expressly understood by the Class 2 Beneficial Owner that these powers are inconsistent with the ability to classify the Trust as an “investment trust” under Regulations Section 301.7701-4(c), and the Trust shall not be so classified prior to the issuance of the Conversion Notice.

Section 6.3 Issuance of Conversion Notice. The Class 2 Beneficial Owner may, at any time in its sole discretion as long as any Class 2 Beneficial Interests are outstanding, issue the Conversion Notice to the Manager, with a copy to the Trustee; provided, however, that the Conversion Notice must be issued no later than three days before the Closing Date. Upon issuance of the Conversion Notice, the Class 2 Beneficial Owner shall no longer have any of the rights or powers set forth in Section 6.2; provided, however, in the event the Class 2 Beneficial Owner entered into the Line of Credit, the Pledge and Pledgee’s security interest in the Class 2 Beneficial Interests shall remain in effect after the issuance of the Conversion Notice until the Line of Credit is repaid. Instead, the Class 2 Beneficial Owner shall have the same rights and powers as apply to

a Class 1 Beneficial Owner (as set forth in Section 6.4). In no event may any Class 1 Beneficial Interests be issued to Investors until at least three days after the issuance of the Conversion Notice.

Section 6.4 Rights and Powers of Class 1 Beneficial Owners. The sole right of the Class 1 Beneficial Owners shall be to receive distributions from the Trust if, as and when made as a result of the Trust's ownership or Disposition of the Real Estate. The Class 1 Beneficial Owners shall not have the right or power to direct in any manner the actions of the Trust, the Master Lessee, the Depositor or the Manager in connection with the management or operation of the Trust or the Real Estate. The Class 1 Beneficial Owners shall have no voting rights, including as to whether or not the Real Estate is sold pursuant to this Trust Agreement. In addition, the Class 1 Beneficial Owners shall not have the right or power to:

- (a) Contribute additional assets to the Trust;
- (b) Cause the Trust to negotiate or re-negotiate loans or leases; or
- (c) Cause the Trust to sell all or any portion of its assets and re-invest the proceeds of such sale or sales.

Section 6.5 Cash Contributed by Investors. The cash contributed by the Investors in exchange for Class 1 Beneficial Interests shall be used by the Trust to (a) acquire the Real Estate and pay all such costs, fees and expenses associated therewith (including any of those incurred by the Depositor and the Manager in the discretion of the Manager), (b) pay commissions, costs and other expenses of the Trust's offering of Class 1 Beneficial Interest (as the Manager deems appropriate in its sole discretion), (c) pay principal and interest associated with the Line of Credit, and (d) redeem the Depositor's Class 2 Beneficial Interests on a proportionate basis to such contributions, with each Class 2 Beneficial Interest being redeemed for (i) approximately \$1,000 to be paid directly to the Depositor, or such other amounts as determined by the Manager in its sole discretion. Upon the sale of all 100 of the Class 1 Beneficial Interests, the Depositor will no longer have any Beneficial Interest in the Trust and no Class 2 Beneficial Interests will remain outstanding.

In the event not all Class 2 Beneficial Interests are redeemed pursuant to this Section 6.5 by 12 months after the Closing Date (which may be extended by six months by the Manager, in its sole discretion), the Class 2 Beneficial Owner shall divest itself of all such remaining Class 2 Beneficial Interests such that neither the Class 2 Beneficial Owner nor any of its Affiliates shall own any such interests after such date.

Section 6.6 Agreement to be Bound. Any Beneficial Owner shall be deemed, by virtue of execution of the Purchase Agreement and the acceptance of such Beneficial Ownership Interest to have agreed, accepted and become bound by, and subject to, the provisions of this Trust Agreement.

Section 6.7 Ownership Records. The Manager shall at all times be the Person at whose office a Beneficial Interest may be presented or surrendered for registration of transfer or for exchange and where notices and demands to or upon the Trust in respect of a Beneficial Interest may be served. The Manager shall keep Ownership Records, which shall include records of the transfer and exchange of Beneficial Interests. Notwithstanding any provision of this Trust

Agreement to the contrary, transfer of a Beneficial Interest in the Trust, or of any right, title or interest therein, shall occur only upon and by virtue of the entry of such transfer in the Ownership Records. In the event of any transfer permitted under the terms of this Trust Agreement, (a) the Manager shall issue new Ownership Records setting forth the current Percentage Share in the Trust held by such new Beneficial Owner, (b) the transferring Beneficial Owner shall surrender its Beneficial Interest for cancellation and (c) if applicable, the Manager shall issue new Ownership Records setting forth the Beneficial Interest retained by any transferring Beneficial Owner.

Section 6.8 Restrictions on Transfer. Subject to compliance with applicable federal and state securities laws, Section 6.9 and Section 6.10 of this Trust Agreement, all or any portion of the Beneficial Interest of any Beneficial Owner may be assigned or transferred without the prior consent of any of the Trust, the Trustee, the Depositor, the Manager or the other Beneficial Owners. All expenses of any such transfer shall be paid by the assigning or transferring Beneficial Owner.

Section 6.9 Conditions to Admission of New Beneficial Owners. Any assignee or transferee of the Beneficial Interest of a Beneficial Owner shall only become a Beneficial Owner upon such assignee's or transferee's written acceptance and/or adoption of this Trust Agreement, as manifested by its execution and delivery to the Manager of this Trust Agreement or any subscription agreement for Interests provided by the Manager.

Section 6.10 Limit on Number of Beneficial Owners. Notwithstanding anything to the contrary in this Trust Agreement, at no time shall the number of Beneficial Owners exceed 99 Persons. Any transfer that results in a violation of this Section 6.10 shall, to the fullest extent permitted by applicable law, be null, void and of no effect whatsoever.

Section 6.11 Representations, Warranties, Acknowledgements and Agreements of Beneficial Owners.

(a) Each Beneficial Owner hereby represents and warrants that (1) it is an "accredited investor" as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act, (2) it is not acquiring its Beneficial Interest with a view to any distribution thereof in a transaction that would violate the Securities Act or the securities laws of any state of the United States, (3) it is aware (i) of the restrictions on transfer that are applicable to the Beneficial Interests, (ii) that no Beneficial Interest has been or is expected to be registered under the Securities Act, and accordingly, all Beneficial Interests are subject to restrictions on transfer, and (iii) that no Beneficial Interest may be offered, sold, pledged, hypothecated or otherwise transferred or disposed of unless it is registered under the Securities Act and all other applicable laws of any applicable jurisdiction or an exemption therefrom is available in accordance with such laws, (4) it is aware that an investment in Beneficial Interests involves a high degree of risk of loss by the Beneficial Owner of its entire investment, and it has full cognizance of and understands all of the risk related to a purchase of Beneficial Interests, (5) it is able to bear the economic and financial risk of an investment in the Trust for an indefinite period of time, as well as the complete loss of the entire investment, (6) to the extent applicable, the execution, delivery and performance of this Trust Agreement has been duly authorized by such Beneficial Owner and do not require such Beneficial Owner to obtain any consent or approval that has not been obtained and do not contravene or result in a default under any provision of any law or regulation applicable to such Beneficial Owner or other governing documents or any agreement or instrument to which such

Beneficial Owner is a party or by which such Beneficial Owner is bound, (7) this Trust Agreement is valid, binding and enforceable against such Beneficial Owner in accordance with its terms, and (8) it is (i) a citizen or resident of the U.S. (including certain former citizens and former long-term residents), (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S. or of any political subdivision thereof, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of the source of such income, or (iv) a trust, if (A) the administration of the trust is subject to the primary supervision of a U.S. court and the trust has one or more U.S. persons with authority to control all substantial decisions or (B) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

(b) Each Class 1 Beneficial Owner hereby represents and warrants that it (1) understands and is aware that there are uncertainties regarding the treatment of its Class 1 Beneficial Interest as real estate for federal income tax purposes, (2) fully understands that there is risk that its Class 1 Beneficial Interest will not be treated as real estate for federal income tax purposes, (3) has independently obtained advice from its legal counsel and/or accountant regarding any like-kind exchange under Section 1031 of the Code, including, without limitation, whether the acquisition of its Class 1 Beneficial Interest may qualify as part of a like-kind exchange, and is relying on such advice regarding the tax treatment of the Class 1 Beneficial Interests and any like-kind exchange, (4) is aware that the Internal Revenue Service (“IRS”) has issued Rev. Rul. 2004-86 (the “Revenue Ruling”) specifically addressing Delaware Statutory Trusts, the Revenue Ruling is merely guidance and is not a “safe-harbor” for taxpayers or sponsors, and, without the issuance of a private letter ruling on a specific offering, there is no assurance that its Class 1 Beneficial Interest will not be treated as a partnership interest for federal income tax purposes, (5) understands that Trust has not obtained a private letter ruling from the IRS that its Class 1 Beneficial Interest will be treated as an undivided interest in real estate as opposed to an interest in a partnership, (6) understands that the tax consequences of an investment in its Class 1 Beneficial Interest, especially the treatment of the transaction described herein under Section 1031 of the Code and the related “Section 1031 of the Code” rules, are complex and vary with the facts and circumstances of each individual purchaser, (7) shall, for federal income tax purposes, report the purchase of its Class 1 Beneficial Interest as a purchase by it of a direct ownership interest in the Real Estate, (8) shall not make any claim against the Trust or any of its Affiliates regarding (A) the determination or potential determination that the Beneficial Interests are not eligible replacement property for a tax-deferred exchange of property under Section 1031 of the Code; or (B) the tax consequences resulting from the dissolution or conversion of the Trust, and (9) understands that the opinion of Venable LLP is only its view of the anticipated tax treatment and there is no guarantee that the IRS will agree with such opinion.

(c) The Manager may, in its sole discretion, determine to issue certificates to the Beneficial Owners representing the Beneficial Interests held by each Beneficial Owner. In the event that certificates representing Beneficial Interests are issued, such certificates will bear the following legends:

THE SECURITIES REPRESENTED BY THIS BENEFICIAL OWNERSHIP CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. WITHOUT SUCH REGISTRATION, SUCH SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE

TRANSFERRED OR DISPOSED OF AT ANY TIME WHATSOEVER, EXCEPT UPON DELIVERY TO THE MANAGER OF THE TRUST OF AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER OF THE TRUST THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER AND/OR THE SUBMISSION TO THE MANAGER OF THE TRUST OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE MANAGER OF THE TRUST TO THE EFFECT THAT ANY SUCH TRANSFER SHALL NOT BE IN VIOLATION OF THE SECURITIES ACT AND/OR APPLICABLE STATE SECURITIES LAWS AND/OR ANY RULE OR REGULATION PROMULGATED THEREUNDER. THE SECURITIES REPRESENTED BY THIS BENEFICIAL OWNERSHIP CERTIFICATE ARE SUBJECT TO THE TERMS OF THE TRUST AGREEMENT. ANY TRANSFER OF A BENEFICIAL INTEREST IN THE TRUST, OR OF ANY RIGHT, TITLE OR INTEREST THEREIN, SHALL OCCUR IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE TRUST AGREEMENT AND ONLY UPON AND BY VIRTUE OF THE ENTRY OF SUCH TRANSFER IN THE OWNERSHIP RECORDS OF THE TRUST. THIS BENEFICIAL OWNERSHIP CERTIFICATE IS NON-TRANSFERABLE AND MAY NOT BE NEGOTIATED, ENDORSED OR OTHERWISE TRANSFERRED.

(d) Each Beneficial Owner hereby acknowledges and agrees that, in its capacity as a Beneficial Owner, it has no ability to (1) seek partition of the Trust Estate or petition for a portion of the assets of the Trust, (2) file a petition in bankruptcy on behalf of the Trust, or (3) take any action that consents to, aids, supports, solicits or otherwise cooperates in the filing of an involuntary bankruptcy proceeding involving the Trust.

(e) Each Beneficial Owner hereby acknowledges and agrees that it or any Person who Controls such Beneficial Owner is not currently identified by the Office of Foreign Assets Control, Department of the Treasury (“OFAC”).

Section 6.12 Status of Relationship. This Trust Agreement shall not be interpreted to impose a partnership or joint venture relationship on the Beneficial Owners either at law or in equity. Accordingly, no Beneficial Owner shall have any liability for the debts or obligations incurred by any other Beneficial Owner with respect to the Trust Estate or otherwise, and no Beneficial Owner shall have any authority, other than as specifically provided herein, to act on behalf of any other Beneficial Owner or to impose any obligation with respect to the Trust Estate. Neither the power to provide direction to the Trustee, the Manager or any other Person nor the exercise thereof by any Beneficial Owner shall cause such Beneficial Owner to have duties (including fiduciary duties) or liabilities relating thereto to the Trust or to any Beneficial Owner.

Section 6.13 Beneficial Owners and the Trust. The Beneficial Owners shall not have legal title to the Trust Estate. The death, incapacity, dissolution, termination or bankruptcy of any Beneficial Owner shall not result in the termination or dissolution of the Trust. Except as expressly provided herein, no Beneficial Owner has (a) an interest in specific Trust property, or (b) any right to demand and receive from the Trust an in-kind distribution of the Trust Estate or any portion thereof. In addition, each Beneficial Owner expressly waives any right, if any, under the Statutory Trust Act to seek a judicial dissolution of the Trust, to terminate the Trust or, to the fullest extent permit by applicable law, to partition the Trust Estate.

ARTICLE 7
DISTRIBUTIONS AND REPORTS

Section 7.1 Distributions in General. The Manager shall distribute the Trust's net cash flow to the Beneficial Owners in accordance with their Percentage Share on a monthly basis (beginning with the second month after acquiring the Real Estate), after (a) paying or reimbursing the Manager for any fees or expenses incurred by the Manager on behalf of the Trust (including fees of the Trustee and the Manager), (b) retaining such additional amounts as the Manager determines are necessary to pay anticipated ordinary current and future Trust expenses and taxes ("Reserves") and (c) satisfying any other requirements imposed under the Master Lease Agreement. It is anticipated that the cash generated from the operations of the Trust shall generally consist of the rent paid under the Master Lease Agreement. Reserves and any other cash retained pursuant to this Section 7.1 shall be invested by the Manager only in short-term obligations of (or guaranteed by) the United States or any agency or instrumentality thereof and in certificates of deposit or interest-bearing bank accounts of any bank or trust companies having a minimum stated capital and surplus of \$100,000,000.00 (collectively, a "Permitted Investment"). All such obligations must mature prior to the next distribution date, and be held to maturity. All amounts distributable to the Beneficial Owners pursuant to this Trust Agreement shall be paid by check or in immediately available funds by transfer to a banking institution with bank wire transfer facilities for the account of such Beneficial Owner, as instructed from time to time by such Beneficial Owner on the last Business Day of each calendar month.

Section 7.2 Distributions upon Dissolution. In the event of the Trust's dissolution in accordance with Article 9, all of the Trust Estate as may then exist after the winding up of its affairs in accordance with the Statutory Trust Act (including, without limitation, subsections (d) and (e) of Section 3808 of the Statutory Trust Act and providing for all costs and expenses, including any income or transfer taxes which may be assessed against the Trust, whether or not by reason of the dissolution of the Trust) shall, subject to Section 9.2, be distributed to those Persons who are then Beneficial Owners in their respective Percentage Shares.

Section 7.3 Cash and other Accounts; Reports by the Manager. The Manager shall be responsible for receiving all cash from the Master Lessee and placing such cash into one or more accounts as required under the distribution and investment obligations of the Trust under Section 7.1. The Manager shall furnish annual reports to each of the Beneficial Owners as to the amounts of cash received from the Master Lessee, the expenses incurred by the Trust with respect to the Real Estate (if any), the amount of any Reserves, and the amount of the cash distributed by the Trust to the Beneficial Owners, as well as on or before January 31st of each year, reports of income and expenses to each Beneficial Owner as necessary for such Beneficial Owner to prepare its income tax returns.

ARTICLE 8
RELIANCE; REPRESENTATIONS; COVENANTS

Section 8.1 Good Faith Reliance. Neither the Trustee nor the Manager shall incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably and in good faith believed by such the Trustee or the Manager, as applicable, to be genuine and signed by the proper

party or parties thereto. As to any fact or matter, the manner of ascertainment of which is not specifically described herein, the Trustee and the Manager may for all purposes hereof rely on a certificate, signed by or on behalf of the Person executing such certificate, as to such fact or matter and such certificate shall constitute full protection of the Trustee and/or the Manager for any action taken or omitted to be taken by them in good faith in reliance thereon. The Trustee and the Manager may conclusively rely upon any certificate furnished to such Person that on its face conforms to the requirements of this Trust Agreement. Each of the Trustee and the Manager may (a) exercise its powers and perform its duties by or through such attorneys and agents as it shall appoint with due care, and it shall not be liable for the acts or omissions of such attorneys and agents; and (b) consult with counsel, accountants and other experts, and shall be entitled to rely upon the advice of counsel, accountants and other experts, selected by it in good faith and shall be protected by the advice of such counsel, accountants and other experts in anything done or omitted to be done by it in accordance with such advice. In particular, no provision of this Trust Agreement shall be deemed to impose any duty on the Trustee or the Manager to take any action if such Person shall have been advised by counsel, accountants or other experts that such action may involve it in personal liability or is contrary to the terms hereof or to applicable law. For all purposes of this Trust Agreement, the Trustee shall be fully protected in relying upon the most recent Ownership Records delivered to it by the Manager.

Section 8.2 No Representations or Warranties as to Certain Matters.

(a) NEITHER THE TRUSTEE NOR THE MANAGER, EITHER WHEN ACTING HEREUNDER IN ITS CAPACITY AS TRUSTEE OR MANAGER OR IN ITS INDIVIDUAL CAPACITY, MAKES OR SHALL BE DEEMED TO HAVE MADE ANY REPRESENTATION, WARRANTY OR COVENANT, EXPRESS OR IMPLIED, WITH REGARD TO THE TRUST ESTATE OR ANY PART THEREOF, AS TO (1) TITLE, LOCATION, VALUE, CONDITION, WORKMANSHIP, DESIGN, COMPLIANCE WITH SPECIFICATIONS, CONSTRUCTION, OPERATION, MERCHANTABILITY OR FITNESS FOR USE FOR A PARTICULAR PURPOSE, (2) ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, (3) ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, (4) ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR (5) ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED.

(b) NEITHER THE TRUSTEE NOR THE MANAGER, EITHER WHEN ACTING HEREUNDER AS TRUSTEE OR MANAGER OR IN ITS INDIVIDUAL CAPACITY, MAKES ANY REPRESENTATION, WARRANTY OR COVENANT AS TO THE VALIDITY OR ENFORCEABILITY OF TRANSACTION DOCUMENTS OR AS TO THE CORRECTNESS OF ANY STATEMENT CONTAINED IN ANY THEREOF, EXCEPT AS EXPRESSLY MADE BY THE TRUSTEE OR THE MANAGER IN ITS INDIVIDUAL CAPACITY. EACH OF THE TRUSTEE AND THE MANAGER REPRESENTS AND WARRANTS TO THE BENEFICIAL OWNERS THAT IT HAS AUTHORIZED, EXECUTED AND DELIVERED THIS TRUST AGREEMENT.

ARTICLE 9 TERMINATION

Section 9.1 Termination in General. The Trust shall have perpetual existence and shall be dissolved and wound up in accordance with Section 3808 of the Statutory Trust Act, after the issuance of the Conversion Notice, upon the first to occur of (a) a LLC Conversion pursuant to Section 9.2 or (b) the Disposition of the Real Estate pursuant to Section 9.3, at which time each Beneficial Owner's Percentage Share of the Trust Estate shall be distributed to such Beneficial Owner in accordance with Section 7.2 in full and complete satisfaction and redemption of its Beneficial Interests.

Section 9.2 Conversion to LLC.

(a) The Manager shall be authorized, and shall take all actions necessary, to convert the Trust into a LLC in compliance with the Statutory Trust Act that has a limited liability company agreement substantially the same as that set forth in Exhibit C (the "LLC Agreement") upon the first to occur of the following:

(1) the Manager determines, in its sole discretion, that (A) the Master Lessee has failed to timely pay rent due under the Master Lease Agreement and any applicable notice and cure provisions in the Master Lease Agreement, if any, have expired, or (B) the Master Lessee files for bankruptcy, seeks appointment of a receiver, makes an assignment for the benefit of its creditors or there occurs any similar event;

(2) pursuant to the terms of Section 6.5; or

(3) upon termination of the Trust under Section 9.1(a).

(b) In connection with the conversion contemplated under Section 9.2(a), the Manager shall (i) cause the Beneficial Interests of the Beneficial Owners to be exchanged or converted to Class A Units in the LLC (as defined in the LLC Agreement) in proportion to their Percentage Shares (such exchange or conversion, the "LLC Conversion"); (ii) be designated as the manager of the LLC formed as referenced herein and shall execute all necessary documents, including, without limitation, the LLC Agreement on behalf of the new members of the LLC; (iii) cause the LLC to acquire, by operation of law, contract or otherwise, the Trust Estate subject to the then outstanding obligations of the Trust under the Master Lease Agreement; (iv) cause the LLC to assume, by operation of law, contract or otherwise, the Trust's obligations under the Master Lease Agreement; and (v) take all other actions necessary to complete the termination and winding up of the Trust, the formation of the LLC and the LLC Conversion in accordance with applicable Delaware laws relating to the Trust and the Delaware Limited Liability Company Act.

It is the express intent of this Trust Agreement that no LLC Conversion be made under this Section 9.2 except in the circumstances enumerated above in Section 9.2(a) which the parties hereto agree constitute rare and unexpected situations in which such conversion and distribution is necessary to prevent the loss of the Trust Estate due to such circumstances.

Section 9.3 Disposition of the Real Estate. Subject to the terms of the Master Lease Agreement, the Trust shall sell, transfer, merge or exchange pursuant to an exchange roll-up

transaction pursuant to Section 721 of the Code or Section 1031 of the Code with respect to the Real Estate at any time after the Manager determines, in its sole discretion, that any such sale, disposition, transfer, merger or exchange roll-up transaction pursuant to Section 721 of the Code or Section 1031 of the Code with respect to the Real Estate (collectively, a “**Disposition**”) would be reasonable using its commercially reasonable business judgment; provided; however, in the event that any Line of Credit remains outstanding, the Manager shall obtain the prior written approval of Pledgee prior to a Disposition. Any such Disposition of the Real Estate shall occur as soon as practicable after the Manager has made such determination. In connection with any Disposition of the Real Estate under this Section 9.3, the Manager shall be responsible for (a) determining the fair market value of the Real Estate (provided that the Manager will obtain a third party valuation of the Real Estate if such Disposition is being made through an Affiliated aggregation or acquisition and any such Disposition would result in less than a 100% return of the Beneficial Owners’ original capital contributions), (b) conducting the Disposition of the Real Estate, (c) providing services to facilitate the marketing and Disposition of the Real Estate in connection with the Disposition of the Real Estate, and (d) distributing the balance of the Trust Estate (net of any fee due to the Manager) to the Beneficial Owners after payment of any amounts necessary to pay any loans, expenses, or obligations of the Trust. The Manager intends to take reasonable actions to target to provide the Beneficial Owners with the option to (1) complete an exchange pursuant to Section 721 of the Code into the acquiring ExchangeRight REIT; (2) participate in a tax-deferred cash out financing targeting 20% of the Owner’s capital investment to be distributed as financing proceeds and an exchange of the remaining equity interests under Section 721 of the Code; (3) complete a Section 1031 Exchange (as defined below); (4) cash out (not tax-deferred); or (5) any combination of the above exit options. There is no guarantee that these options will be available to the Beneficial Owners upon Disposition. Any Disposition of the Real Estate shall be on an “as is, where is” basis and subject to customary seller representations or warranties by the Trust, the Trustee or the Manager.

Section 9.4 Liability of Manager. To the fullest extent permitted by applicable law, the Manager shall be fully protected in any such determination made in good faith pursuant to Sections 9.2 and 9.3 and shall have no liability to any Person, including without limitation the Beneficial Owners, Trust or the Trustee, with respect thereto.

Section 9.5 Manager’s Fee on Disposition. If the Manager provides services in connection with any Disposition of the Real Estate under Section 9.3 and if upon such Disposition of the Real Estate the gross proceeds, including the return of any reserves, are in excess of \$52,785,000 (in cash or in kind), the Manager will be entitled to receive a fee equal to 2.0% of the gross proceeds of any such Disposition of the Real Estate pursuant to the Trust Agreement, with such amount to be in addition to any payments to unrelated third-party real estate brokers that the Trust hires to sell the Real Estate and any payments to buyer’s brokers.

Section 9.6 Certificate of Cancellation. Upon the completion of the dissolution and winding up of the Trust, the Trustee shall cancel the Certificate of Trust by executing and causing a certificate of cancellation to be filed in the office of the Secretary of State (as well as undertaking any other means then required under applicable law).

ARTICLE 10 MISCELLANEOUS

Section 10.1 Limitations on Rights of Other Persons. Nothing in this Trust Agreement, whether express or implied, shall provide to any Person, other than the Depositor, the Trustee, the Manager, the Beneficial Owners and the Trust, any legal or equitable right, remedy or claim hereunder.

Section 10.2 Successors and Assigns. All covenants and agreements contained herein shall be binding upon and inure to the benefit of the Depositor, the Trustee, in its individual capacity and as Trustee, the Manager, the Beneficial Owners, the Trust and their successors and assigns, all as herein provided. Any request, notice, direction, consent, waiver or other writing or action by any such Person shall bind its successors and assigns.

Section 10.3 Usage of Terms. With respect to all terms in this Trust Agreement: (a) the singular includes the plural and the plural includes the singular; (b) words importing any gender include the other gender; references to “writing” include printing, typing, lithography and other means of reproducing words in a visible form; (c) references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Trust Agreement; (d) references to Persons include their successors and permitted assigns; and (e) the term “including” means “including without limitation.”

Section 10.4 Headings. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 10.5 Side Letters. The Manager reserves the right, in its sole and absolute discretion, to agree with a Beneficial Owner to waive or modify the application of any provision of the Trust Agreement relating exclusively to fees and expenses or any fee or expense in connection with the offering with respect to such Beneficial Owner without obtaining the consent of any other Beneficial Owner. Accordingly, the Trust and the Manager may enter into side letters or other writings with one or more Beneficial Owners that have the effect of establishing rights under, or altering or supplementing the terms of, the Trust Agreement or any subscription agreement for Interests (including with any of its Affiliates that may invest in the Trust). Notwithstanding the foregoing, in no event shall (i) any waiver or modification of any provision of the Trust Agreement, or (ii) any side letter or other writings, be permitted to the extent the tax treatment of the Trust or the Investors would be impacted.

Section 10.6 Amendments. To the fullest extent permitted by applicable law, this Trust Agreement may not be supplemented or amended, and no term or provision hereof may be waived, discharged or terminated orally, but only by a signed writing executed by and among the Manager and the parties adversely affected, if any. Notwithstanding anything in this Trust Agreement to the contrary, if the Line of Credit is outstanding, this Trust Agreement may not be amended without the prior written consent of Pledgee.

Section 10.7 Notices. All notices, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms hereof shall be in writing, and given

by (i) overnight courier, or (ii) hand delivery and shall be deemed to have been duly given when received. Notices shall be provided to the parties at the addresses specified below.

If to the Depositor:	ExchangeRight Real Estate, LLC 1055 E. Colorado Blvd., Suite 310 Pasadena, CA 91106 Attention: Investor Relations
If to the Manager:	ExchangeRight Asset Management, LLC 1055 E. Colorado Blvd., Suite 310 Pasadena, CA 91106 Attention: Investor Relations
If to the Trust:	ExchangeRight Net-Leased All-Cash 18 DST Care of ExchangeRight Asset Management, LLC 1055 E. Colorado Blvd., Suite 310 Pasadena, CA 91106 Attention: Investor Relations
If to the Trustee:	Gregory Harrison c/o Stewart Management Company Farmers Bank Building, Suite 1410 301 North Market Street Wilmington, Delaware 19801

If to a Beneficial Owner, at such Person's address as specified in the most recent Ownership Records.

From time to time the Depositor, the Trustee, the Trust or the Manager may designate a new address for purposes of notice hereunder by notice to the others and any Beneficial Owner may designate a new address for purposes of notice hereunder by notice to the Manager.

Section 10.8 Governing Law. This Trust Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Delaware (without regard to conflict of law principles). The laws of the state of Delaware pertaining to trusts (other than the Statutory Trust Act) shall not apply to this Trust Agreement.

Section 10.9 Counterparts. This Trust Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 10.10 Severability. Any provision of this Trust Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction only, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, each of the parties hereby waives any provision of applicable law that renders any such provision prohibited or unenforceable in any respect.

Section 10.11 Signature of Class 1 Beneficial Owners. Each Investor will accept and/or adopt this Trust Agreement, as manifested by its execution and delivery to the Manager of this Trust Agreement or any subscription agreement for Interests provided by the Manager. By executing such signature page, each Investor hereby acknowledges and agrees to be bound by the terms of this Trust Agreement and the LLC Agreement when and if the LLC is formed and pursuant to Section 19.19 of the LLC Agreement. In addition, in light of their agreement to be bound by the LLC Agreement pursuant to this Section 10.11, each Investor hereby acknowledges and agrees that as of the LLC Conversion Date (as defined in the LLC Agreement) (i) each Investor shall be deemed to have executed the LLC Agreement and (ii) the LLC Agreement shall be fully enforceable against each Investor, notwithstanding the lack of such Investor's actual signature thereon.

Section 10.12 Anti-Assignment Exclusion. Notwithstanding anything in this Trust Agreement (other than Section 3.2 hereof) to the contrary, no provision in this Trust Agreement (including any approval rights, right of first refusal or off, anti-assignment restriction, notice right, co-sale right, other restriction on transfer or encumbrance or any other rights or provisions, if any), to the extent such provision would prohibit, limit, require consent or otherwise interfere in any way with the Pledge of the granting by the Class 2 Beneficial Owner of an enforceable security interest in Class 2 Beneficial Owner right, title and interest in the Class 2 Beneficial Interests (and all rights related thereto and any and all proceeds and products thereof) (collectively, the "Pledged Interests") issued to, and owned by, the Class 2 Beneficial Owner from time to time under and pursuant to this Trust Agreement to Pledgee and/or any subsequent transfer, assignment, or sale by Pledgee to any other Person (a "Subsequent Transfer", together with the Pledge, collectively the "Pledge Transactions"), which Pledge Transactions are each hereby approved (to the extent required by any Person pursuant to the terms of this Trust Agreement, and any applicable restriction or prohibition is hereby waived by all such Persons, and all such Persons hereby agree to not interfere with the exercise by Pledgee of its rights and remedies with respect to any such Pledge Transaction. Pledgee is a third-party beneficiary of this Section 10.12 for all legal purposes, and any amendment, modification, removal or replacement of this Section 10.12 made without the prior written consent of the Pledgee shall be a violation of this Trust Agreement and void for all legal purposes. Such Pledge interest shall no longer apply to the Class 2 Beneficial Interests once the Pledgee has been repaid in full.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the parties has caused this Trust Agreement to be duly executed as of the day and year first above written.

THE DEPOSITOR:

ExchangeRight Real Estate, LLC

By: Warren Thomas
Warren Thomas, Manager

THE MANAGER:

ExchangeRight Asset Management, LLC

By: ExchangeRight Real Estate, LLC; its sole member

By: Warren Thomas
Warren Thomas, Manager

THE TRUSTEE:

Gregory S. Harrison
Gregory Harrison, Trustee

State of Delaware)
County of New Castle) ss.

On this 14th day of October, 2025 before me Elizabeth Ann Beachell the undersigned trustee, personally appeared Gregory Harrison known personally to me to be the Trustee of the above named Trust and acknowledged that she, as a trustee being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the Trust by himself as trustee.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Elizabeth Ann Beachell
Notary Public/Commissioner of Oath

My Commission Expires April 20, 2028



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

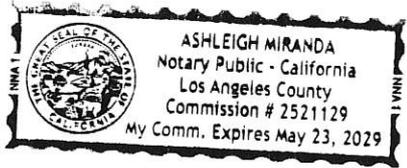
On October 13, 2025 before me, Ashleigh Miranda, Notary Public
(insert name and title of the officer)

personally appeared Warren Thomas
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature A. Miranda (Seal)



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

On October 13, 2025 before me, Ashleigh Miranda, Notary Public
(insert name and title of the officer)

personally appeared Warren Thomas
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature A. Miranda (Seal)

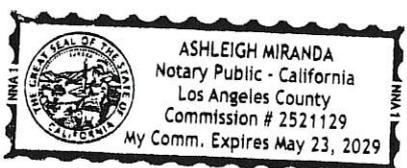


EXHIBIT A

REAL ESTATE

BioLife Plasma Services - Kissimmee (Osceola), FL

Parcel 1:

Lot 3A, Gateway Commons North-Replat of Lot 3, according to the plat thereof, as recorded in [Plat Book 21, Page 96](#), of the Public Records of Osceola County, Florida.

Parcel 2:

Together with nonexclusive easement(s) as set forth in the Easements with Covenants and Restrictions Affecting Land recorded March 1, 2000 in Official Records [Book 1708, Page 1706](#), as affected by First Amendment to Easements with Covenants and Restrictions Affecting Land recorded in Official Records [Book 3497, Page 1044](#) all of the Public Records of Osceola County, Florida.

BioLife Plasma Services - Kyle (Seton), TX

Tract 1:

Lot 2, AMENDING PLAT OF THE REPLAT OF LOT 1B, BLOCK A, OF THE SCC BUNTON CREEK SUBDIVISION, REPLAT OF LOT 6A, BLOCK "A", a subdivision in Hays County, Texas, according to the map or plat thereof recorded in Document No. 17011827, Plat Records of Hays County, Texas.

For reference only: Property Address: 906 Seton Parkway, Kyle, Hays County, Texas. Parcel ID R151917

Tract 2:

Non-exclusive easements created by that certain Declaration of Reciprocal Easement Agreement and Covenants, Conditions and Restrictions, recorded in Volume 3260, Page 768, Official Public Records of Hays County, Texas, being further affected and/or amended by Volume 3465, Page 220, Volume 4408, Page 680, and Volume 4631, Page 683, Official Public Records of Hays County, Texas.

Tract 3:

Non-exclusive easements created by that certain Easements with Covenants and Restrictions Affecting Land, recorded in Volume 4408, Page 721, Official Public Records of Hays County, Texas.

BioLife Plasma Services - Mobile (Airport), AL

TRACT 1 (FEE):

Lot 1, Resubdivision of Lots 1, 3 and 2A, Wesley Station, according to the plat thereof recorded in [Instrument #2019019186](#) of the records in the Office of the Judge of Probate of Mobile County, Alabama.

TRACT 2 (EASEMENT):

Together with any benefiting easements created by Declaration of Common Drive Easement dated June 24, 2011 and recorded in real property [Book 6790, Page 741](#) and amended by Amendment to Common Drive Easement dated March 28, 2019 and recorded in [Instrument #2019016335](#), in the Office of the Judge of Probate of Mobile County, Alabama.

Tractor Supply - Caledonia (Cherry Valley), MI

Parcel 1:

That part of the Northwest 1/4 of Section 33, Town 5 North, Range 10 West, Caledonia Township, Kent County, Michigan, described as: Beginning at the West 1/4 corner of said Section; thence North 00 degrees 00 minutes 00 seconds West, 500.00 feet along the West line of said Northwest 1/4; thence North 89 degrees 57 minutes 16 seconds East, 459.80 feet parallel with the South line of said Northwest 1/4; thence South 00 degrees 02 minutes 26 seconds East, 500.00 feet to the South line of said Northwest 1/4; thence South 89 degrees 57 minutes 16 seconds West, 460.15 feet along said South line to the Point of beginning.

Parcel 2:

Non-Exclusive Easement for ingress and egress, as created, limited, and defined in that certain Private Road Easement Agreement, recorded January 26, 2023 in Instrument No. 202301260004794, Kent County Records.

Tractor Supply - Rome (Shorter), GA

All that tract or parcel of land lying or being in Land Lot 157, 14th District, Floyd County, Georgia, and being more particularly described as follows:

Commencing at a point at the Southwesterly intersection of the Northerly right-of-way line of Alabama Highway (GA SR #20) (Variable R/W) and the Northwesterly right-of-way line of Beech Creek Drive (50' R/W), said point having State Plane Coordinate Values of Northing:1,555,479.99; Easting:1,968,855.45; Georgia West Zone; thence along said Northerly right-of-way line of Alabama Highway a distance of 896.23 feet to a 5/8-inch rebar set with cap, said point having State Plane Coordinate Values of Northing:1,555,295.37; Easting:1,968,018.74; Georgia West Zone, and the Point of Beginning; thence along the Northerly right-of-way of Alabama Highway (GA SR #20) (Variable R/W), South 77 degrees 33 minutes 53 seconds West for a distance of 200.00 feet to a 5/8-inch rebar set with cap; thence continuing along the same curving to the right, said curve having an arc length of 424.76 feet with a radius of 3361.65 feet, being subtended by a chord bearing of South 80 degrees 32 minutes 07 seconds West a distance of 424.48 feet to a 5/8-inch rebar set with cap; thence leaving said Northerly right-of-way, North 04 degrees 41 minutes 41 seconds East for a distance of 76.03 feet to a 1/2-inch open top pipe found; thence South 84 degrees 12 minutes 47 seconds East for a distance of 52.50 feet to a 5/8-inch rebar set with cap; thence North 03 degrees 55 minutes 42 seconds East for a distance of 210.00 feet to a 1-1/2-inch open top pipe found; thence North 85 degrees 55 minutes 46 seconds West for a distance of 104.57 feet to a 1" crimp top pipe found; thence North 04 degrees 03 minutes 51 seconds East for a distance of 209.92 feet to a 1/2-inch open top pipe found; thence South 78 degrees 56 minutes 56 seconds East for a distance of 582.29 feet to a 5/8-inch rebar found; thence South 12 degrees 14 minutes 41 seconds East for a distance of 278.66 feet to a 5/8-inch rebar set with cap, said point being the Point of Beginning.

Said tract of land contains 5.028 acres.

Tractor Supply - Stockbridge (SM 52), MI

Parcel 1:

Part of the Northwest 1/4 of Section 35, Town 1 North, Range 2 East, Village Of Stockbridge, Ingham County, Michigan, described as: Commencing at the Northwest corner of said section; thence South 89 degrees 39 minutes 22 seconds East, 871.71 feet along the North line of said section to the Point of Beginning; thence continuing South 89 degrees 39 minutes 22 seconds East, 296.14 feet along said North line; thence South 00 degrees 35 minutes 14 seconds East, 309.52 feet; thence South 89 degrees 41 minutes 35 seconds East, 150.93 feet; thence South 00 degrees 35 minutes 39 seconds East, 199.17 feet along the West 1/8 line of said section (as monumented); thence North 89 degrees 39 minutes 21 seconds West, 455.01 feet; thence North 00 degrees 18 minutes 16 seconds East, 508.52 feet to the Point of Beginning.

Parcel 2: (Easement Parcel)

Non-Exclusive Easement for access, ingress and egress, as created, limited, and defined in that certain Joint Access Easement and Maintenance Agreement, recorded September 13, 2005 in Liber 3183, Page 576, and as amended by First Amendment to Joint Access Easement and Maintenance Agreement recorded October 18, 2023 in Instrument No. 2023-040614, Ingham County Records.

EXHIBIT B

**OWNERSHIP RECORDS
FOR
ExchangeRight Net-Leased All-Cash 18 DST**

Last Revised _____, 20__.

<u>Name</u>	<u>Mailing Address</u>	<u>Class of Beneficial Interests</u>	<u>Percentage (%) Share of Beneficial Interests</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The undersigned hereby certifies that the foregoing Ownership Records are complete and accurate as of the date set forth above.

ExchangeRight Asset Management, LLC, not in its individual capacity, but solely as Manager

By: _____

Name: _____

Title: _____

EXHIBIT C

FORM OF LIMITED LIABILITY COMPANY AGREEMENT

[Refer to Exhibit E of the Memorandum]

EXHIBIT D

FORM OF CONVERSION NOTICE

ExchangeRight Real Estate, LLC (the “Depositor”), as the sole Class 2 Beneficial Owner and the sole holder of Class 2 Beneficial Interests in ExchangeRight Net-Leased All-Cash 18 DST, hereby provides a Conversion Notice pursuant to Section 6.3 of the Trust Agreement dated as of August 27, 2025 by and among the Depositor, ExchangeRight Asset Management, LLC, a California limited liability company, as Manager, and Gregory Harrison, as Trustee (or any of their successors). The requirements of Section 3.2(c) of the Trust Agreement shall become effective upon receipt of this notice by the Trustee.

Date: _____

By: _____

Name: _____

Title: _____

EXHIBIT B
PURCHASE AGREEMENT

STRICTLY CONFIDENTIAL

Purchase Agreement

ExchangeRight Net-Leased All-Cash 18 DST



ExchangeRight Real Estate
1055 E. Colorado Blvd, Suite 310
Pasadena, CA 91106

(855) 317-4448

investors@exchangeright.com

This PURCHASE AGREEMENT (this “**Agreement**”) is made and effective as of the Effective Date by and between ExchangeRight Net-Leased All-Cash 18 DST, a Delaware statutory trust (the “**Trust**”) and the Person executing this Agreement on the signature page hereto (“**Buyer**”), with reference to the facts set forth below. All terms with initial capital letters not otherwise defined herein shall have the meanings set forth in Exhibit “A” herein.

RECITALS

A. Sponsor, Manager and Gregory Harrison (“**Trustee**”) have entered into the Trust Agreement of the Trust, dated August 27, 2025 (the “**Trust Agreement**”).

B. Sponsor owns one hundred percent (100%) of the Class 2 Beneficial Interests in the Trust.

C. Manager has been appointed pursuant to the Trust Agreement to manage the activities and affairs of the Trust.

D. The Trust acquired the following portfolio of properties located at (i) 1301 East Osceola Parkway, Kissimmee, Florida 34744; (ii) 906 Seton Parkway, Kyle, Texas 78640; (iii) 6105 Airport Boulevard, Mobile, Alabama 36608; (iv) 10300 Cherry Valley Avenue SE, Caledonia, Michigan 49316; (v) 2850 Shorter Avenue NW, Rome, Georgia 30165; and (vi) 4569 SM 52, Stockbridge, Michigan 49285 (collectively, the “**Properties**”), as more particularly described in the Confidential Private Placement Memorandum dated October 31, 2025, as may be amended or supplemented (the “**Memorandum**”).

E. The Trust desires to sell and Buyer desires to buy Class 1 Beneficial Interests in the Trust (“**Interests**”) on the terms and conditions set forth in this Agreement, which number of Interests to be purchased by Buyer is set forth as follows:

Number of Interests being purchased: _____. In order to acquire the Interests, the purchase price paid by Buyer is \$ _____ (“**Purchase Price**”).

Buyer understands that the Purchase Price received by the Trust will be applied towards (i) the acquisition of the Properties by the Trust and the payment of such costs, fees and expenses associated therewith, (ii) the payment of commissions, costs, fees and expenses of the Trust’s offering of Class 1 Beneficial Interests in the

Trust, and (iii) the redemption of the Class 2 Beneficial Interests in the Trust owned by the Sponsor. This sale is made pursuant to the Memorandum.

NOW, THEREFORE, in consideration of the mutual agreements set forth herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as set forth below.

1. Agreement of Purchase and Sale

1.1. Purchase, Sale and Purchase Price. Subject to the approval of Manager as provided in Section 1.2, in consideration of the covenants herein contained, the Trust hereby agrees to sell, and Buyer hereby agrees to purchase, the number of Interest(s) set forth on the signature page hereto (whether one or more, collectively, “**Buyer’s Interest**”) in the Trust at a purchase price as set forth on the signature page hereto (“**Purchase Price**”). The minimum purchase amount is One Hundred Thousand Dollars (\$100,000.00), although the Manager may waive or lower the minimum purchase requirement for certain investors in its sole discretion.

1.2. Acceptance of Subscription. Within thirty (30) days of receipt of a completed and signed Agreement, Purchaser Questionnaire and verification of Buyer’s investment qualifications, the Manager may, on behalf of the Trust and in its sole discretion, accept or reject any subscription for the Interests, in whole or in part.

1.3. Payment. Buyer shall pay the Purchase Price as follows:

1.3.1. Buyer’s Delivery of this Agreement. Buyer shall deliver this completed and signed Agreement, the Purchaser Questionnaire (including its financial statement as required by the Purchaser Questionnaire) to the Manager at:

Investor Relations
ExchangeRight Asset Management, LLC
c/o ExchangeRight Net-Leased All-Cash 18 DST
9215 Northpark Drive
Johnston, IA 50131

Buyer shall deliver an amount equal to the full amount of their purchase price for their Interests to the Trust either by (i) a check payable to “**ExchangeRight Net-Leased All-Cash 18 DST**” or (ii) a wire transfer to ExchangeRight Net-Leased All-Cash 18 DST.

For increased security, we will provide wiring instructions to all investors separately. Please call in advance of initiating any wire to verify account information. **No investor or their representatives should initiate a wire until such wiring instructions have been verified by phone with ExchangeRight's Investor Relations department at 855-317-4448.**

1.3.2. Purchase Price and Funding Date. If Buyer's subscription is accepted, Buyer shall send the entire Purchase Price to the Trust via check or wire transfer on or before five (5) Business Days before the Closing Date or on such funding date as directed by the Manager in the Manager's sole discretion (the "**Funding Date**") to the bank account set forth in Section 1.3.1. Manager shall provide Buyer written notice of the Funding Date at least two Business Days prior to the Funding Date.

1.4. Buyer's Deliveries. In addition to, and concurrently with, the deliveries contemplated in Sections 1.3.1 and 1.3.2, Buyer shall execute such other documents as may be required by the Trust or the Manager.

1.5. Buyer's Intent to Exchange. If Buyer's acquisition of Buyer's Interest is part of a like-kind exchange pursuant to Code Section 1031, it is a condition precedent to the closing that, subject in all cases to Sections 3.1 and 5.3 hereof, Buyer is able to complete an exchange for all or a portion of its relinquished property pursuant to an Exchange Agreement between Buyer and its Qualified Intermediary. The Trust agrees to execute such documents or instruments as may be necessary or appropriate to evidence such exchange, provided that the Trust's cooperation in such regard shall be at no additional cost, expense or liability whatsoever to the Trust, and that no delays in the scheduled Closing Date are incurred unless mutually agreed upon by Buyer and the Trust. Buyer may assign its rights under this Agreement to Qualified Intermediary pursuant to an exchange agreement between Buyer and Qualified Intermediary to effect such exchange.

2. Closing; Failure to Close without Default.

2.1. Closing Date. The closing date shall occur on that certain date selected by the Manager in its sole discretion (the "**Closing Date**").

2.2. Failure to Close without Default. If the remaining Purchase Price as required under Section 1.3.2 is not received by Manager by 5:00 p.m. pacific time on the Funding Date for any reason other than the Default of either Buyer, Manager or the Trust under this Agreement, either Buyer or Manager, or the Trust may terminate the closing and this Agreement by written notice to the other party. If this

Agreement is so terminated, (i) Buyer and Manager shall promptly execute and deliver any cancellation instructions reasonably requested, (ii) Buyer's Deposit, if applicable, shall be returned directly to Buyer or its Qualified Intermediary (as instructed by the Buyer), and (iii) Buyer, Manager and the Trust shall be released from their obligations under this Agreement, other than any obligations of Buyer that survive the termination of this Agreement.

3. Fees and Costs.

3.1. Buyer's Fees and Costs. Buyer acknowledges that the Trust makes no representation or warranty whatsoever that the portion of the Purchase Price applicable to buyer's fees shall constitute valid replacement property for purposes of complying with Code Section 1031 and Buyer has consulted its own advisor regarding the treatment of such portion of the Purchase Price with respect to such Code Section 1031 rules.

4. Distribution of Funds.

4.1. Deposit of Funds. Subject to Section 1.3, and 2.4, all Cash, if any, received hereunder by the escrow shall be held until the Real Estate Closing and kept on deposit with other escrow funds in the general escrow account(s), in any state or national bank, and may be transferred to any other such general escrow account(s).

4.2. Disbursements. At the Real Estate Closing, the escrow agent, if any, will deliver or wire transfer to the Trust, or order, the Purchase Price, plus any proration or other credits to which the Trust will be entitled, less any appropriate proration or other charges. All other disbursements by the escrow agent shall be made by checks of the escrow agent.

5. Buyer Representations and Warranties.

5.1. No Concern of the Escrow Agent. Any escrow agent shall have no concern with, or liability or responsibility for, this Section.

5.2. Purchase As-Is. AS FURTHER PROVIDED IN THE MEMORANDUM, BUYER REPRESENTS AND WARRANTS THAT IT IS RELYING SOLELY ON ITS OWN INSPECTIONS, INVESTIGATIONS AND ANALYSES OF THE PROPERTIES IN ENTERING INTO THIS AGREEMENT AND BUYER IS NOT RELYING IN ANY WAY ON ANY REPRESENTATIONS, STATEMENTS, AGREEMENTS, WARRANTIES, STUDIES, REPORTS, DESCRIPTIONS, GUIDELINES OR OTHER INFORMATION OR MATERIAL FURNISHED BY THE TRUST, SPONSOR OR

MANAGER OR ANY OF THEIR REPRESENTATIVES OR AFFILIATES, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, OF ANY NATURE WHATSOEVER REGARDING ANY SUCH MATTERS AND IS BUYING, THROUGH BUYER'S INTEREST IN THE TRUST, AN INTEREST IN THE PROPERTIES IN AN "AS-IS," "WHERE-IS" CONDITION. BUYER IS A SOPHISTICATED, EXPERIENCED INVESTOR AND WILL RELY ENTIRELY ON ITS REVIEW OF THE PROPERTIES. BUYER ACKNOWLEDGES THAT THE TRUST ONLY RECENTLY ENTERED INTO THE PURCHASE AND SALE AGREEMENT TO ACQUIRE THE PROPERTIES AND THE TRUST AND MANAGER HAVE LIMITED KNOWLEDGE REGARDING THE CONDITION OF THE PROPERTIES.

5.3. No Tax Representations. As further provided in the Memorandum, Buyer represents and warrants that: (i) Buyer understands and is aware that there are uncertainties regarding the treatment of Buyer's Interest as real estate for federal income tax purposes, (ii) Buyer has read the entire Memorandum and fully understands that there is risk that Buyer's Interest will not be treated as real estate for federal income tax purposes, (iii) Buyer has independently obtained advice from its legal counsel and/or accountant regarding any like-kind exchange under Code Section 1031, including, without limitation, whether the acquisition of Buyer's Interest pursuant to this Agreement may qualify as part of a like-kind exchange and Buyer is relying on such advice regarding the tax treatment of Buyer's Interest, (iv) Buyer is aware that the IRS has issued Rev. Rul. 2004-86 (the "**Revenue Ruling**") specifically addressing Delaware Statutory Trusts, the Revenue Ruling is merely guidance and is not a "safe-harbor" for taxpayers or sponsors, and, without the issuance of a private letter ruling on a specific offering, there is no assurance that the Buyer's Interest will not be treated as a partnership interest for federal income tax purposes, (v) Buyer understands that neither the Trust, the Manager nor the Sponsor has obtained a private letter ruling from the IRS that Buyer's Interest will be treated as an undivided interest in real estate rather than an interest in a partnership, (vi) Buyer understands that the tax consequences of an investment in Buyer's Interest, especially the treatment of the transaction described herein under Code Section 1031 and the related rules, are complex and vary with the facts and circumstances of each individual Buyer, (vii) Buyer shall, for federal income tax purposes, report the purchase of Buyer's Interest by Buyer pursuant to this Agreement as a purchase by Buyer of a direct ownership interest in the Properties, (viii) Buyer understands that the opinion of Venable LLP is only their view of the anticipated tax treatment and there is no guarantee that the IRS will agree with such opinion, and (ix) Buyer shall not make any claim against the Trust or any of its affiliates regarding (A) the determination or potential determination that the Interests are not eligible

replacement property for a tax-deferred exchange of property under Code Section 1031; or (B) the tax consequences resulting from the dissolution or conversion of the Trust.

5.4. Additional Buyer Representations and Warranties. Buyer hereby represents and warrants to the Trust and Manager that the following are true and correct on the date of this Agreement.

5.4.1. Buyer acknowledges that it has received, read, reviewed and fully understands the Memorandum, and all attachments and exhibits thereto. Buyer acknowledges that it is basing its decision to invest on the Memorandum and any exhibits and attachments thereto. Buyer further acknowledges that it has relied only on the information contained in such materials and has not relied upon any other representations or representations made by any other person. Buyer recognizes that an investment is highly speculative and involves substantial risk and Buyer is fully cognizant of and understands all of the risk factors related to the purchase of Buyer's Interest, including, but not limited to, those risks set forth in the section of the Memorandum entitled "Risk Factors." Buyer acknowledges and understands that its offer to purchase Buyer's Interests hereunder is and shall be irrevocable.

5.4.2. Buyer's overall commitment to investments that are not readily marketable is not disproportionate to its individual net worth, and its investment in Buyer's Interest will not cause such overall commitment to become excessive. Buyer has adequate means of providing for its financial requirements, both current and anticipated, and has no need for liquidity in this investment. Buyer can bear and is willing to accept the economic risk of losing its entire investment in Buyer's Interest.

5.4.3. Buyer acknowledges that the sale of Buyer's Interest has not been preceded or accompanied by the publication of any advertisement or by any general solicitation.

5.4.4. All information that Buyer has provided to the Trust or Manager concerning Buyer's suitability to invest in Buyer's Interest (including, but not limited to, all the information contained in the Purchaser Questionnaire delivered concurrently with this Agreement) is complete, accurate and true in all respects and is complete, accurate and true as of the date of its signature on the last page of this Agreement and shall be complete, accurate and true in all respects on the Closing Date. Buyer hereby agrees to notify the Trust immediately of any material change in any such information occurring prior to the Closing Date, including any information about changes concerning its net worth and financial position.

5.4.5. Buyer has had the opportunity to ask questions of, and receive answers from, Manager (and its officers, directors, managers and employees) concerning Buyer's Interest and the Properties and the terms and conditions of the offering of Buyer's Interest, and to obtain any additional information deemed necessary to verify the accuracy of the information contained in the Memorandum. Buyer has been provided with all materials and information requested by either Buyer or others representing Buyer, including any information requested to verify any information furnished to Buyer.

5.4.6. Buyer is purchasing Buyer's Interest for Buyer's own account and for investment purposes only and has no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of Buyer's Interest. Buyer understands that, due to the restrictions referred to in Section 5.4.7, and the lack of any market existing or to exist for Buyer's Interest, Buyer's investment in Buyer's Interest will be highly illiquid and may have to be held indefinitely.

5.4.7. Buyer is fully aware that Buyer's Interest has not been and will not be registered with the Securities and Exchange Commission and Buyer's Interest will be sold in reliance on the exemption from registration promulgated under Rule 506 of Regulation D of the Securities Act, which reliance is based in part upon Buyer's representations set forth herein and in the Purchaser Questionnaire. Buyer understands that Buyer's Interest has not been and will not be registered under applicable state securities laws and is being offered and sold in reliance on exemptions specified in such laws, which reliance is based in part upon Buyer's representations set forth herein and in the Purchaser Questionnaire. Unless Buyer's Interest is registered, it may not be re-offered for sale or resold except pursuant to an exemption under those laws. Buyer further understands that the specific approval of such resales by the state securities administrator may be required in some states. Buyer understands that a legend will be placed on any certificates issued by the Trust, if any, with respect to restrictions on distribution, transfer, resale, assignment or subdivision of Buyer's Interest imposed by applicable federal and state securities laws in substantially the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. SUCH SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR DISPOSED OF AT ANY TIME WHATSOEVER, EXCEPT AS

PERMITTED UNDER THE SECURITIES ACT AND SUCH STATE
SECURITIES LAWS AND ANY RULE OR REGULATION
PROMULGATED THEREUNDER PURSUANT TO
REGISTRATION OR EXEMPTION THEREFROM.

5.4.8. Buyer understands that none of the Trust, Sponsor or Manager or their respective officers, directors, employees, managers or members, affiliates, legal counsel or advisors represents Buyer in any way in connection with the purchase of Buyer's Interest and the entering into any of the related agreements associated with the purchase, including, but not limited to, the Transaction Documents, as applicable. Buyer also understands that legal counsel to the Trust, Sponsor or Manager or their respective affiliates does not represent and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing Buyer. Buyer has been afforded the opportunity to retain the services of an independent investment advisor, attorney or accountant to read all of the documents furnished or made available by the Trust, Sponsor or Manager both to Buyer and all other prospective investors and to evaluate the merits and risks of such an investment on Buyer's behalf.

5.4.9. Buyer is an "accredited investor" as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act.

5.4.10. Buyer is (i) a citizen or resident of the U.S. (including certain former citizens and former long-term residents), (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) or a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) created or organized in or under the laws of the U.S. or of any political subdivision thereof, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of the source of such income, (iv) an individual retirement account or other tax-exempt entity, or (v) a trust, if (A) the administration of the trust is subject to the primary supervision of a U.S. court and the trust has one or more U.S. persons with authority to control all substantial decisions or (B) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

5.4.11. Buyer (i) has such knowledge and experience in financial and business matters that Buyer is personally capable of evaluating the Properties and the merits and risks of an investment in Buyer's Interest and the Properties and has not relied on an investment advisor in evaluating such risks and merits, or (ii) has employed the services of an independent investment advisor, attorney or accountant to read all of the documents furnished or made available by the Trust or Manager both

to Buyer and all other prospective investors and to evaluate the merits and risks of such an investment on Buyer's behalf.

5.4.12. Buyer's address set forth on the signature page hereto is Buyer's true and correct residence (if Buyer is an individual) or principal place of business (if Buyer is an entity) and Buyer has no present intention of becoming a resident of any other state or jurisdiction or moving his principal place of business, as applicable.

5.4.13. Buyer hereby agrees to indemnify, defend and hold harmless the Trust, Sponsor, Manager, Trustee, and all of their respective limited partners, general partners, members, managers, officers, directors, affiliates and advisors from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) that they may incur by reason of Buyer's failure to fulfill all of the terms and conditions of this Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents Buyer has furnished to any of the foregoing in connection with the transactions described herein. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) incurred by the Trust, Sponsor, Manager, Trustee, or any of their respective general partners, limited partners, members, managers, officers, directors, affiliates or advisors defending against any alleged violation of federal or state securities laws which is based upon or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents that Buyer has furnished to any of the foregoing in connection with this transaction.

5.4.14. Within five (5) days after receipt of a written request from the Trust, Buyer agrees to provide such information and to execute and deliver such documents as may be reasonably necessary to comply with any and all laws and regulations to which the Trust or the Manager is subject.

5.4.15. It has never been guaranteed or warranted to Buyer by the Trust, Sponsor or Manager or their management, officers or directors or by any other person, expressly or by implication that (i) Buyer will receive any exact or approximate amount of return or other type of consideration, profit, loss, or distributions as a result of an investment in Buyer's Interests, or (ii) the past performance or experience of the Trust, Sponsor or Manager or any manager, director, officer or affiliate of the Trust, Sponsor or Manager will in any way indicate or predict the results of investment in Buyer's Interests or the overall success of the

Properties, and Buyer acknowledges and understand that there can be no certainty with respect to such matters.

5.4.16. If Buyer is a “Benefit Plan Investor” as defined in Section 3(42) of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), which includes an “employee benefit plan” as defined in Section 3(3) of ERISA, that is subject to Part 4 of Title I of ERISA, a “plan” covered by Section 4975 of the Internal Revenue Code of 1986, as amended (the “**Code**”), or an entity whose underlying assets include plan assets of either of the foregoing, the Investor has completed this Purchase Agreement. If the Investor is a Benefit Plan Investor, a governmental plan, or other employee benefit plan, account or arrangement that is not subject to the fiduciary provisions of ERISA or Section 4975 of the Code (collectively, with Benefit Plan Investors, referred to as “**Plans**”), the Investor makes the following representations, warranties and covenants:

(a) The decision to commit assets of the Plan for investment in the Trust was made by fiduciaries independent of the Trust, the Sponsor, the Manager and any of their respective agents, representatives or affiliates, which fiduciaries (a) are duly authorized to make such investment decision and have not relied on any advice or recommendations of the Trust, the Sponsor, the Manager or any of their respective agents, representatives or affiliates and (b) in consultation with their advisers, have carefully considered the impact of ERISA, the Code and the regulations, rules, procedures and judicial decisions thereunder, to the extent applicable, or any applicable state or local law similar to ERISA or Section 4975 of the Code, on an investment in the Trust;

(b) None of the Trust, the Sponsor, the Manager or any of their respective agents, representatives or affiliates has exercised any discretionary authority or control with respect to the Plan’s investment in the Trust, nor has the Trust, the Sponsor, the Manager or any of their respective agents, representatives or affiliates rendered individualized investment advice to the Plan based upon the Plan’s investment policies or strategies, overall portfolio composition or diversification with respect to its commitment to invest in the Trust and the investment program thereunder;

(c) It acknowledges and agrees that it is intended that neither the Trust, the Sponsor, the Manager nor any of their respective agents, representatives or affiliates will be acting as a fiduciary to the Plan under applicable state or local law governing the Plan, with respect to either (a) the Plan’s purchase or retention of its investment in the Trust or (b) the management or operation of the business or assets of the Trust. It also confirms that there is no rule, regulation, or requirement

applicable to such Buyer that is inconsistent with the foregoing representations and covenants regarding the Trust, the Sponsor and the Manager;

(d) It acknowledges (a) it has been informed of and understands the investment objectives and policies of, and the investment strategies that may be pursued by, the Trust, (b) it is aware of the provisions of Section 404 of ERISA or similar applicable law relating to fiduciary duties, (c) it has given appropriate consideration to the facts and circumstances relevant to the investment by such Buyer in the Trust and has determined that such investment is reasonably designed, as part of such Buyer's portfolio of investments, to further the purposes of the relevant plan(s), (d) it understands that current income will not be a primary objective of the Trust, and (e) its acquisition, and subsequent holding of an Interest in the Trust is not a non-exempt "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code or other similar applicable law;

(e) The execution and delivery by the Plan, and compliance by the Plan with the Purchase Agreement (including all appendices, attachments or exhibits hereto) and each other document required to be executed and delivered by the Plan in connection with this purchase of Interests, and the contemplated investment program and operations of the Trust, do not conflict with, or constitute a default under, any instruments or applicable guidelines governing the Plan, any applicable law, regulation or order, or any agreement to which the Plan is a party or by which the Plan is bound. Buyer shall promptly advise the Trust in writing of any changes of which it becomes aware in any governing law or any regulations thereunder or interpretations thereof affecting the duties, responsibilities, liabilities or obligations of the Trust, the Sponsor, the Manager, or any of their respective agents, representatives or affiliates with respect to the Plan. The Purchase Agreement has been duly executed by the Plan and constitutes, and when the Plan is admitted as a Buyer, will constitute, a valid and legally binding agreement of the Plan;

(f) It (a) represents and warrants that the information provided in this Agreement is true and accurate as of the date hereof, (b) covenants that such information will remain true and accurate for so long as Buyer holds Interests in the Trust and (c) agrees to immediately notify the Trust if it has any reason to believe that it is or may be in breach of the foregoing representation and covenant; and

(g) It agrees that it will provide additional information reasonably requested by the Trust, the Sponsor, or the Manager for purposes of compliance with applicable law.

The undersigned will, at the request of the Trust, the Sponsor, or the Manager, furnish the Trust, the Sponsor or the Manager with such information as the Trust, the Sponsor or the Manager may reasonably require to establish that the purchase, retention and disposition of the Interest by the Plan does not violate any provision of ERISA, the Code or other applicable law, including without limitation, those provisions relating to “prohibited transactions” by “parties in interest” or “disqualified persons” as defined therein.

5.5. The representations and warranties of Buyer set forth herein above shall survive the Closing Date or termination of this Agreement.

6. Trust’s and Manager’s Representations and Warranties

6.1. Buyer’s Interest has been duly authorized for issuance and sale (or will have been so authorized prior to the issuance thereof) pursuant to this Agreement and the Trust Agreement. When issued, authenticated and delivered by the Trust and paid for by Buyer pursuant to the provisions of this Agreement and of the Trust Agreement, Buyer’s Interest will be duly and validly issued and outstanding and entitled to the benefits provided by the Trust Agreement, except as such enforceability may be limited by the effect of (i) bankruptcy, insolvency, reorganization, receivership, moratorium or other similar laws affecting the enforcement of the rights of creditors generally, and (ii) general principles of equity, whether enforcement is sought in a proceeding in equity or at law.

6.2. This Agreement and the Trust Agreement have been duly authorized, executed and delivered by the Trust, the Sponsor, the Manager and the Trustee, as the case may be. This Agreement and the Trust Agreement constitute, legal, valid and binding agreements enforceable against the Trust, the Manager and the Sponsor in accordance with their respective terms, except as such enforceability may be limited by the effect of (i) bankruptcy, insolvency, reorganization, receivership, moratorium or other similar laws affecting the enforcement of the rights of creditors generally, (ii) general principles of equity, whether enforcement is sought in a proceeding in equity or at law, and (iii) public policy considerations underlying the securities laws, to the extent that such public policy considerations limit the enforceability of the provisions of this Agreement that purport or are construed to provide indemnification from securities law liabilities.

6.3. The Manager has been duly organized and is a validly existing limited liability company in good standing under the laws of the State of California with the requisite power and authority to enter into and perform its obligations under this Agreement and the Trust Agreement. The Trust is a validly formed and existing

statutory trust under the laws of the State of Delaware with the requisite power and authority to enter into and perform its obligations under this Agreement and the Trust Agreement.

6.4. The execution, delivery and performance of this Agreement and the Trust Agreement by the Trust and Manager and the consummation of the transactions contemplated herein and therein by the Trust and Manager and compliance by the Trust and Manager with their respective obligations hereunder and thereunder have been duly authorized by all necessary corporate and trust action and will not (i) contravene any provision of the limited liability agreement of the Manager, the Trust Agreement or applicable law, or (ii) conflict with or constitute a breach of or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Trust or Manager pursuant to, any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Trust or Manager is a party or by which it may be bound or to which any of the property or assets of the Trust or Manager is subject, which conflict, breach, default, lien, charge or encumbrance is reasonably likely to materially and adversely affect the Trust's or Manager's ability to perform its obligations under this Agreement or the Trust Agreement.

6.5. On and after the date the Conversion Notice is issued pursuant to the terms of the Trust Agreement, Manager, Sponsor and the Trust shall, for federal income tax purposes, treat the Trust as an investment trust within the meaning of Regulation Section 301.7701-4(c) and each Owner as a "grantor" within the meaning of Code Section 671. Manager, Sponsor and the Trust agree to report Sponsor's and Buyer's interest in the Trust in a manner consistent with the foregoing and otherwise not to take any action that would be inconsistent with the foregoing. The Manager, Sponsor and the Trust shall, for federal income tax purposes, report the sale of Buyer's Interest to Buyer pursuant to this Agreement as a sale by Sponsor to Buyer of a direct ownership interest in the Properties.

7. General Provisions.

7.1. Interpretation. The use herein of (i) any gender includes the masculine, the feminine and the neuter, whenever the context so requires, and (ii) the singular number includes the plural, whenever the context so requires. Captions in this Agreement are inserted for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or any of the terms hereof. All exhibits referred to herein and attached hereto are incorporated by reference. This Agreement, together with the other Transaction Documents, contain the entire agreement between the parties relating to the transactions contemplated hereby, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein.

7.2. Modification. No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement thereof is or may be sought.

7.3. Cooperation. Buyer and the Trust acknowledge that it may be necessary to execute documents other than those specifically referred to herein to complete the acquisition of Buyer's Interest as provided herein. Buyer and the Trust agree to cooperate with each other by executing such other documents or taking such other action as may be reasonably necessary to complete this transaction in accordance with the parties' intent evidenced in this Agreement.

7.4. Side Letters. The Manager reserves the right, in its sole and absolute discretion, to agree with an Owner to waive or modify the application of any provision of the Trust Agreement or fee or expense in connection with the offering with respect to such Owner without obtaining the consent of any other Owner. Accordingly, the Trust and the Manager may enter into side letters or other writings with one or more Owners that have the effect of establishing rights under, or altering or supplementing the terms of, the Trust Agreement or any subscription agreement for Interests (including with any of its Affiliates that may invest in the Trust). Notwithstanding the foregoing, in no event shall (i) any waiver or modification of any provision of the Trust Agreement, or (ii) any side letter or other writings, be permitted to the extent the tax treatment of the Trust or the investors would be impacted.

7.5. Assignment. Buyer may not assign its rights under this Agreement, except to its Qualified Intermediary, without first obtaining the Trust's written consent, which consent may be withheld in the Trust's sole and absolute discretion. No such assignment shall operate to release the assignor from the obligation to

perform all obligations of Buyer hereunder. Each of the Trust and Manager shall have the absolute right to assign its rights and obligations under this Agreement.

7.6. Notices. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be addressed as follows:

If to Manager or
the Trust, to:

ExchangeRight Asset Management, LLC
1055 E. Colorado Blvd., Suite 310
Pasadena, CA 91106
Attn: Investor Relations

If to Buyer, to the address listed under Buyer's name on the signature page to this Agreement.

Any party may change such address by written notice to the escrow agent and the other parties. Unless otherwise specifically provided for herein, all notices, payments, demands or other communications given hereunder shall be deemed to have been duly given and received (i) upon personal delivery, or (ii) as of the third Business Day after mailing by United States registered or certified mail, return receipt requested, postage prepaid, addressed as set forth above, or (iii) as of the immediately succeeding Business Day after deposit with a nationally recognized overnight courier service (costs prepaid).

7.7. Eminent Domain. If, prior to the Closing Date, the Properties are taken or appropriated by any public or quasi-public authority under the power of eminent domain or the Trust, Sponsor or Manager receives actual notice of any pending or threatened condemnation proceedings affecting the Properties, then Buyer may terminate this Agreement without further liability hereunder in accordance with Section 2.3. In the event of a partial taking of the Properties or the threatened partial taking of the Properties with respect to which the Trust, Sponsor or Manager has received actual notice that materially and adversely affects the ability to operate the Properties for the purposes they are currently operated, then Buyer can elect to either (a) terminate this Agreement in accordance with Section 2.3, or (b) purchase the Buyer's Interest with a reduction in the Purchase Price in an amount equal to the condemnation award received from the condemning authority with respect to Buyer's Interest. In the event of a threatened taking or a lack of finality of any proceedings to determine the award in an actual taking, this purchase transaction

shall close and the Trust shall assign to Buyer its interest in any condemnation award with respect to Buyer's Interest made by the governmental entity.

7.8. Loss or Damage. Buyer shall have no right to terminate this Agreement in the event of any loss or damage to the Properties, provided that Buyer shall have the right to receive an assignment of any insurance proceeds received by the Manager, Trust or Sponsor with respect to such loss upon the close. The parties acknowledge and agree in no event shall the close be extended due to any such loss or damage. Notwithstanding the foregoing, the assignment of any insurance proceeds as provided herein shall not include any proceeds received for items not related to the physical condition of the Properties, if any.

7.9. Periods of Time. All time periods referred to in this Agreement include all Saturdays, Sundays and state or United States holidays, unless Business Days are specified, provided that if the date or last date to perform any act or give any notice with respect to this Agreement falls on a Saturday, Sunday or state or national holiday, such act or notice may be timely performed or given on the next succeeding Business Day.

7.10. Counterparts. This Agreement may be executed in counterparts, all of which when taken together shall be deemed fully executed originals.

7.11. Joint and Several Liability. If any party consists of more than one person or entity, the liability of each such person or entity signing this Agreement shall be joint and several.

7.12. Choice of Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of California, without regard to conflict of laws principles, except as to the type of registration of ownership of Buyer's Interest, which shall be construed in accordance with the state of principal residence of Buyer.

7.13. Time. Time is of the essence to this Agreement.

7.14. Third Party Beneficiaries. Except as expressly contemplated herein, no party hereto intends to benefit any party (including any other Owner) that is not a party to this Agreement and no such party shall be deemed to be a third party beneficiary of this Agreement or any provision hereof.

7.15. Severability. If any term, covenant, condition, provision or agreement herein contained is held to be invalid, void or otherwise unenforceable by any court

of competent jurisdiction, such fact shall in no way affect the validity or enforceability of the other portions of this Agreement.

7.16. Binding Agreement. Subject to any limitation on assignment set forth herein, all terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective legal representatives, successors and assigns.

7.17. ARBITRATION OF DISPUTES.

7.17.1. ALL CLAIMS SUBJECT TO ARBITRATION. ANY DISPUTE, CONTROVERSY OR OTHER CLAIM ARISING UNDER, OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR ANY AMENDMENT THEREOF OR THE BREACH OR INTERPRETATION HEREOF OR THEREOF, SHALL BE DETERMINED AND SETTLED BY BINDING ARBITRATION IN LOS ANGELES COUNTY, STATE OF CALIFORNIA, IN ACCORDANCE WITH TITLE 9 OF THE CALIFORNIA CIVIL CODE AND THE CODE OF CIVIL PROCEDURE, INCLUDING SPECIFICALLY CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 1283.05 AND 1283.1 AND THE RULES AND PROCEDURES OF THE AMERICAN ARBITRATION ASSOCIATION. THE PREVAILING PARTY SHALL BE ENTITLED TO AN AWARD OF ITS REASONABLE COSTS AND EXPENSES INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES. ANY AWARD RENDERED THEREIN SHALL BE FINAL AND BINDING ON EACH AND ALL OF THE PARTIES THERETO AND THEIR PERSONAL REPRESENTATIVES AND JUDGMENT MAY BE ENTERED THEREON IN ANY COURT OF COMPETENT JURISDICTION.

7.17.2. WAIVER OF LEGAL RIGHTS. THE PARTIES ACKNOWLEDGE AND AGREE TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THIS ARTICLE DECIDED BY NEUTRAL ARBITRATION AS PROVIDED UNDER CALIFORNIA LAW AND THAT THEY ARE WAIVING ANY RIGHTS THEY MAY POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR BY JURY TRIAL. THE PARTIES FURTHER ACKNOWLEDGE AND AGREE THAT THEY ARE WAIVING THEIR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL. IF EITHER PARTY REFUSES TO SUBMIT TO ARBITRATION AFTER EXECUTION OF THIS AGREEMENT, SUCH PARTY MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. EACH PARTY'S AGREEMENT TO THIS SECTION 7.17.2 IS VOLUNTARY. THE PARTIES HAVE READ AND UNDERSTAND THE

FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THIS ARTICLE TO NEUTRAL ARBITRATION.

7.18. ACCEPTANCE OR REJECTION OF BUYER'S OFFER. THE DELIVERY OF THIS AGREEMENT TO BUYER DOES NOT CONSTITUTE AN OFFER OF ANY KIND BY THE TRUST, SPONSOR OR MANAGER AND SHALL NOT BIND THE TRUST UNLESS DULY EXECUTED AND DELIVERED BY THE TRUST AND MANAGER. TO SUBMIT AN OFFER TO PURCHASE BUYER'S INTEREST, BUYER SHALL DELIVER TO THE MANAGER THE ITEMS DESCRIBED IN SECTION 1.3. THE MANAGER, ON BEHALF OF THE TRUST, SHALL HAVE THIRTY (30) DAYS TO EITHER ACCEPT OR REJECT BUYER'S OFFER. IF THE MANAGER DOES NOT ACCEPT BUYER'S OFFER WITHIN SUCH 30-DAY PERIOD, THE OFFER SHALL BE DEEMED REJECTED. IN THE EVENT THE OFFER IS REJECTED, BUYER'S DEPOSIT, IF APPLICABLE, SHALL BE RETURNED TO BUYER WITHOUT INTEREST AND THIS AGREEMENT SHALL NOT BECOME EFFECTIVE.

7.19. Consent to Contact Qualified Intermediary. Buyer hereby provides the Trust with consent to contact their Qualified Intermediary or qualified intermediary in order to set up the necessary documentation to effect the close of the exchange for the Purchase Price. The undersigned acknowledges that the Trust does not give tax advice and that Buyer must consult their own CPA or tax counsel in order to ensure compliance with IRS § 1031.

[SIGNATURES FOLLOW ON NEXT PAGE.]

IN WITNESS WHEREOF, this Agreement has been executed and shall be effective as of the Effective Date.

THE TRUST:

ExchangeRight Net-Leased All-Cash 18 DST, a Delaware Statutory Trust

By: ExchangeRight Asset Management, LLC; its manager

By: ExchangeRight Real Estate, LLC; its sole member

By: _____
Warren Thomas, Managing Member

BUYER:

Investing Entity Name

This is the (Individual, Joint, Trust, Legal Entity) name under which the investment will be registered.

Name of Investor or Authorized Representative (and Title if applicable)

Signature of Investor or Authorized Representative

Date

Name of 2nd Investor or 2nd Authorized Representative (and Title if applicable)

Signature of 2nd Investor or 2nd Authorized Representative

Date

CONSENT OF SPOUSE TO BE BOUND BY PURCHASE AGREEMENT

Required for individual subscribers residing in community property states only. (Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin)

I, _____ the spouse of _____, a party to the foregoing Purchase Agreement, acknowledge that I have reviewed the Purchase Agreement and that I hereby agree to be bound by each and every term and condition of the Purchase Agreement. I consent to such purchase, approve the provisions of the Purchase Agreement relating thereto, and agree to be bound by the terms and provisions thereof.

Dated: _____

By: _____

Printed Name: _____

ACKNOWLEDGED AND AGREED TO BY SPONSOR:

ExchangeRight Real Estate, LLC, a California limited liability company

By: _____
Warren Thomas, Managing Member

Date: _____

EXHIBIT A

DEFINITIONS

“**Business Day**” means any day other than a Saturday or Sunday or legal holiday in the State of California.

“**Buyer**” shall have the meaning set forth on the signature page to this Agreement.

“**Buyer’s Interest**” shall have the meaning set forth in Section 1.1.

“**Cash**” shall mean (i) currency of the United States of America, (ii) cashier’s check(s) currently dated and payable to the escrow agent or the Trust, as required under this Agreement, drawn and paid through a California banking or savings and loan institution, tendered to the escrow agent or the Trust, as required under this Agreement at least one (1) additional Business Day before funds are otherwise required to be delivered under this Agreement, or (iii) an amount credited by wire transfer to the escrow agent’s or the Trust’s bank account, as required under this Agreement.

“**Closing Date**” shall have the meaning set forth in Section 2.1.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Conversion Notice**” shall have the meaning provided in the Trust Agreement.

“**Default**” means, with respect to Buyer or the Trust, an act or failure to act by either such party which breaches or is in violation of a covenant, representation or warranty made or given by it in the Agreement.

“**Effective Date**” means the date of execution hereof by the Trust.

“**Funding Date**” shall have the meaning set forth in Section 1.3.2.

“**Interests**” shall have the meaning set forth in Recital F.

“**IRS**” means the Internal Revenue Service.

“**Lease**” means that certain lease agreement entered into by the Tenant (as defined in the Memorandum) with respect to the Properties.

“**Manager**” means ExchangeRight Asset Management, LLC, a California limited liability company and the manager of the Trust in accordance with the Trust Agreement. Except as expressly provided otherwise, Manager is acting solely in its capacity as Manager of the Trust and not on its own behalf.

“**Memorandum**” shall have the meaning set forth in Recital F.

“**Owner**” means any holder of Interests.

“**Person**” means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

“**Properties**” shall have the meaning set forth in Recital D.

“**Purchase Price**” shall have the meaning set forth on the signature page to this Agreement.

“**Purchaser Questionnaire**” means the Purchaser Questionnaire in the form attached to the Memorandum.

“**Real Estate Closing**” means the closing to be held for the acquisition of the Properties by the Trust.

“**Qualified Intermediary (also known as “1031 Qualified Intermediary”)**”

Means _____.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Sponsor**” means ExchangeRight Real Estate, LLC, a California limited liability company.

“**Transaction Documents**” means, as applicable, this Agreement, the Purchaser Questionnaire, the Trust Agreement and the Master Lease.

“**Trust**” shall have the meaning set forth in the preamble to this Agreement.

“**Trustee**” shall have the meaning set forth in Recital A.

“**Trust Agreement**” shall have the meaning set forth in Recital A.

* * *

EXHIBIT C
SUBSCRIPTION AGREEMENT



NET-LEASED ALL-CASH 18 DST

SUBSCRIPTION AGREEMENT

Any person or entity desiring to subscribe (“**Subscriber**”) for beneficial ownership interests (the “**Interests**”) in ExchangeRight Net-Leased All-Cash 18 DST, a Delaware statutory trust (the “**Trust**”) should carefully read and review the confidential private placement memorandum relating to the offering of the Interests dated October 31, 2025, as may be amended, or supplemented (the “**Memorandum**”). If Subscriber desires to subscribe for Interests, complete the Purchaser Questionnaire that follows these instructions. Please follow the appropriate instructions listed below for the items indicated. If not submitting electronically, please use a ballpoint pen to fill out. Please respond to each question for each applicable Section, even if the response is “None” or “Not Applicable,” unless directed otherwise. Capitalized terms not defined herein shall have the meaning set forth in the Memorandum. All information is confidential and only for investment purposes.

MINIMUM INVESTMENT REQUIREMENTS

Interests will be sold only to prospective investors who: (i) have read the Private Placement Memorandum including all supplements and exhibits, (ii) buy a minimum initial subscription of \$100,000 (0.18945% Interest), subject to certain exceptions in the discretion of the Trust, and (iii) meet the requirements and make the representations set forth in the Memorandum and the Purchaser Agreement, including that each investor is an “Accredited Investor” as defined in Section 501(a) of Regulation D of the Securities Act of 1933, as amended.

SUBMISSION

E-mail Delivery: investors@exchangeright.com

Mail Delivery: ExchangeRight Real Estate, LLC
9215 Northpark Drive
Johnston, IA 50131

Fax Delivery: (877) 711-4047

TABLE OF CONTENTS

Section 1. Account Registration <i>(Required by all subscribers)</i>	3
Section 2. Investment Information <i>(Required by all subscribers)</i>	3
Section 3. Type of Account <i>(Required by all subscribers)</i>	3
Section 4. Qualified Intermediary Information <i>(Required for 1031 investments)</i>	4
Section 5. Investor Information <i>(Required by all subscribers)</i>	4-5
Section 6. Primary Mailing Address <i>(Required by all subscribers)</i>	5
Section 7. Transfer on Death <i>(Optional for Individual & JTWRROS subscribers)</i>	6
Section 8. Entity Subscribers <i>(Required for trusts and entity subscribers)</i>	7
Section 9. 506(b) Accredited Investor Certification <i>(Required by all subscribers)</i>	8-9
Section 10. Distribution Options <i>(Required by all subscribers)</i>	10
Section 11. Form W9 <i>(Required by all subscribers)</i>	11-12
Section 12. Agreement <i>(Required by all subscribers)</i>	13-18
Section 13. Signatures <i>(Required by all subscribers)</i>	19-21



TYPE OF ACCOUNT	INSTRUCTIONS	ADDITIONAL DOCUMENTS REQUIRED
Individual, Joint Tenants	Complete Sections 1, 2, 3, 4 5, 6, 7 (if applicable), 9, 10, 11, 12, and 13.	Valid ID (Driver’s License or Passport) of Authorized signer(s) Voided Check, Bank Statement, or Deposit Slip to confirm direct deposit information <i>(if applicable)</i>
Trusts	Complete Sections 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, and 13.	Trust Agreement and Amendments or Trust Certification Valid ID (Driver’s License or Passport) of Authorized signer(s) Death Certificate <i>(if applicable)</i> Voided Check, Bank Statement, or Deposit Slip to confirm direct deposit information <i>(if applicable)</i>
Limited Liability Companies	Complete Sections 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, and 13.	Operating Agreement or Articles of Organization Required, <i>(if applicable)</i> Valid ID (Driver’s License or Passport) of Authorized signer(s) Voided Check, Bank Statement, or Deposit Slip to confirm direct deposit information <i>(if applicable)</i>
Corporations	Complete Sections 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, and 13.	Articles of Incorporation or Corporate Certification Required Valid ID (Driver’s License or Passport) of Authorized signer(s) Voided Check, Bank Statement, or Deposit Slip to confirm direct deposit information <i>(if applicable)</i>
Estate	Complete Sections 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, and 13.	Copy of Death Certificate and Letter of Testamentary or Court Appointment Required Valid ID (Driver’s License or Passport) of Authorized signer(s) Voided Check, Bank Statement, or Deposit Slip to confirm direct deposit information <i>(if applicable)</i>

SECTION 1. ACCOUNT REGISTRATION

Investing Entity Name: _____

This is the (Individual, Joint, Trust, Legal Entity) name under which the investment will be registered.

Primary Taxpayer Identification Number: _____

The number provided will be used on all required tax documents and should match the IRS Form W-9 provided.

SECTION 2. INVESTMENT INFORMATION

Net Investment Amount: _____

The Investment Amount should include 1031 proceeds from QI plus additional cash and any other adjustments described below.

PLEASE COMPLETE THE BREAKDOWN OF THE NET INVESTMENT AMOUNT BELOW:

1031 Exchange Proceeds expected from QI: \$ _____ *(if applicable)*

** Please ensure that the provided exchange proceeds are fully available after any Qualified Intermediary/Accommodator fees have been removed (exchange amount - fees = proceeds expected from QI).*

Cash Added: _____ *(if applicable) This is the investor funded cash amount, non-1031 funds.*

Additional Adjustments: _____ *(if applicable)*

Additional Adjustments Description: _____ *(if applicable)*

SECTION 3. TYPE OF ACCOUNT

Individual

Joint Tenant

Are the account holders married to each other? Yes No

Tenancy Clause (Required): Joint Tenants with Rights of Survivorship Community Property

Community Property with Rights of Survivorship Tenants in Common Number of Tenants _____

Trust *(Trust Certification or Trust Agreement and Amendments Required)*

Trust Distinction (Required): Revocable Irrevocable Testamentary Charitable

Single Member LLC *(Operating Agreement or Articles of Organization Required, if applicable)*

Multiple Member LLC *(Operating Agreement or Articles of Organization Required)*

Corporation *(Articles of Incorporation, By-Laws, Minutes or Corporate Certification Required)*

Other (Please Specify): _____

SECTION 4. QUALIFIED INTERMEDIARY INFORMATION

Company Name: _____ Primary Contact: _____

Email: _____ Phone Number: _____

Date of Relinquished Property Closing: _____

SECTION 5. INVESTOR INFORMATION Authorized Signatory Information/Investor/Trustee

Copy of Valid ID (Driver's License or Passport) required.

Prefix: _____ First Name: _____ Middle Name: _____

Last Name: _____ Suffix: _____

Social Security Number: _____ Date of Birth: _____

Email Address: _____ Phone Number: _____

Citizenship: US Citizen Resident Alien Non-Resident Alien Country of Citizenship: _____

Residence Address: _____

City: _____ State: _____ Zip Code: _____

CO-INVESTOR INFORMATION Co-Investor/Co-Trustee/Co-Authorized Signatory Information, if applicable

Copy of Valid ID (Driver's License or Passport) required.

Prefix: _____ First Name: _____ Middle Name: _____

Last Name: _____ Suffix: _____

Social Security Number: _____ Date of Birth: _____

Email Address: _____ Phone Number: _____

Citizenship: US Citizen Resident Alien Non-Resident Alien Country of Citizenship: _____

Residence Address: _____

City: _____ State: _____ Zip Code: _____

AFFILIATIONS/CONTROL QUESTIONS

Are any account owners, employees or members of ExchangeRight Real Estate, LLC, ExchangeRight Securities, LLC, FINRA, or a Stock exchange, or immediate family members of such individuals?

Yes No

If, "Yes", provide their name and the company: _____

Are any account owners or their immediate family members a senior officer, director, or large shareholder (10% or more) of a publicly traded company?

Yes No

If, "Yes", provide their name, % ownership, and the company: _____

SECTION 6. PRIMARY MAILING ADDRESS

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

SECTION 7. TRANSFER ON DEATH

Optional for Individual & JTWROS subscribers

A Transfer on Death (TOD) designation transfers ownership of shares to the registered owner's (owners') beneficiary(ies) upon death; provided that the above referenced investment(s) receive(s) proof of death and other documentation it (they) deem(s) necessary or appropriate.

- A TOD designation will not be accepted from residents of Louisiana or Puerto Rico.
- This section must not be used in conjunction with custodial held registrations. Under custodial held registrations, TOD designations of beneficiaries will be collected by the custodian.
- A TOD designation made by joint tenants with rights of survivorship does not take effect until the last of all multiple owners pass. The surviving owners may revoke or change the TOD designation at any time.

Primary Beneficiary

Percentage: _____

Prefix: _____ First Name: _____ Middle Name: _____

Last Name: _____ Suffix: _____

Social Security Number: _____ Date of Birth: _____

Email Address: _____ Phone Number: _____

Secondary or Contingent Beneficiary

Percentage: _____

Prefix: _____ First Name: _____ Middle Name: _____

Last Name: _____ Suffix: _____

Social Security Number: _____ Date of Birth: _____

Email Address: _____ Phone Number: _____

Third or Contingent Beneficiary

Percentage: _____

Prefix: _____ First Name: _____ Middle Name: _____

Last Name: _____ Suffix: _____

Social Security Number: _____ Date of Birth: _____

Email Address: _____ Phone Number: _____

Fourth or Contingent Beneficiary

Percentage: _____

Prefix: _____ First Name: _____ Middle Name: _____

Last Name: _____ Suffix: _____

Social Security Number: _____ Date of Birth: _____

Email Address: _____ Phone Number: _____

SECTION 8. ENTITY SUBSCRIBERS

1. Trust Information *(if applicable)*

Full Legal Name of Trust: _____

Tax ID: _____ Effective Date of Trust: _____ State of Formation: _____

2. Legal Entity *(if applicable)*

Full Legal Name of Entity: _____

Tax ID: _____ Effective Date of Entity: _____ State of Formation: _____

Principal Place of Business: _____

City: _____ State: _____ Zip Code: _____

EQUITY OWNERS

The Equity Owner section **MUST** be completed for each individual who owns, directly or indirectly, **25%** or more of the legal entity above.

Beneficial Owner #1 Full Name: _____ Ownership %: _____

Social Security Number: _____ Date of Birth: _____

Beneficial Owner #2 Full Name: _____ Ownership %: _____

Social Security Number: _____ Date of Birth: _____

Beneficial Owner #3 Full Name: _____ Ownership %: _____

Social Security Number: _____ Date of Birth: _____

Beneficial Owner #4 Full Name: _____ Ownership %: _____

Social Security Number: _____ Date of Birth: _____

Please enter the following information for **one** individual with significant responsibility for managing the entity listed above (e.g. Chief Executive Officer, Chief Financial Officer, Managing Member, General Partner, President, etc.) or any other individual who regularly performs similar functions.

Full Name/Title: _____

Social Security Number: _____ Date of Birth: _____

I, _____ (name of person authorized to sign on behalf of investing entity), hereby certify, to the best of my knowledge, that the information provided above is complete and correct.

Signature: _____ Date: _____

SECTION 9. 506(B) ACCREDITED INVESTOR CERTIFICATION *Required for ALL subscribers.*

The undersigned hereby certifies that the undersigned is an “**accredited investor**” at the time of the undersigned’s investment in ExchangeRight Net-Leased All-Cash 18 DST because the undersigned satisfies one or more of the following categories of accredited investors. If you do not see a category that applies to you in respect of your status, please contact your financial advisor.

Investor(s) **must** initial which “accredited investor” category the undersigned satisfies. Please review the categories based on your investing entity's account type before making your selection.

Investing Entity Name: _____

INDIVIDUAL (Individual, Joint Account Types)		
Investor	Initials Co-Investor	
_____	_____	The undersigned is a natural person whose individual net worth , or joint net worth with a spouse or spousal equivalent, at the time of purchase exceeds \$1,000,000 (excluding the estimated fair market value of the undersigned’s primary residence).
_____	_____	The undersigned is a natural person who had individual income (exclusive of any income attributable to a spouse or spousal equivalent) of more than \$200,000 for the past two years, or joint income with any spouse or spousal equivalent in excess of \$300,000 in each of those years, and who reasonably expects to reach the same income level in the current year.
_____	_____	The undersigned is a natural person who has passed the required examinations administered by the Financial Industry Regulatory Authority, Inc. necessary for a Series 7, Series 65 and Series 82 license or registration, as applicable, and holds such license or registration in good standing.

REVOCABLE TRUSTS		
Investor	Initials Co-Investor	
_____	_____	The undersigned is a trust that may be amended or revoked at any time by the grantors and all of whose grantors are Accredited Investors as defined by Rule 501 of Regulation D of the Securities Act;
_____	_____	The undersigned is a trust, with total assets in excess of \$5,000,000 , not formed for the specific purpose of acquiring the Interests offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of the Securities Act;
_____	_____	The undersigned is a trust in which the trustee or co-trustee of the trust is a bank, insurance company, registered investment company, business development company, or small business investment company (under Rule 501(a)(1), C&DI Question 255.20, and the Nemo Capital Partners L.P. no-action letter (Mar. 11, 1987));

IRREVOCABLE TRUSTS		
Investor	Initials Co-Investor	
_____	_____	The undersigned is a trust, with total assets in excess of \$5,000,000 , not formed for the specific purpose of acquiring the Interests offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of the Securities Act;
_____	_____	The undersigned is a trust in which the trustee or co-trustee of the trust is a bank, insurance company, registered investment company, business development company, or small business investment company (under Rule 501(a)(1), C&DI Question 255.20, and the Nemo Capital Partners L.P. no-action letter (Mar. 11, 1987));

ENTITIES (LLC, Corporation, Partnerships, Other)		
Investor	Initials Co-Investor	
_____	_____	The undersigned is an entity in which all of the equity owners are Accredited Investors.
_____	_____	The undersigned is a corporation, Massachusetts or similar business trust, or partnership, or an organization described in Section 501(c)(3) of the Code that was not formed for the specific purpose of acquiring the Interests, and that has total assets in excess of \$5,000,000;
_____	_____	The undersigned is any entity that owns investments in excess of \$5,000,000 and that was not formed for the specific purpose of investing in the securities offered;
_____	_____	The undersigned is a private business development company as defined in Section (a)(22) of the Investment Advisers Act of 1940, as amended;
_____	_____	The undersigned is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended;
_____	_____	The undersigned is an investment company registered under the Investment Trust Act of 1940, as amended, or a business development company as defined in Section 2(a)(48) of that Act;
_____	_____	The undersigned is a rural business investment company (defined as entities who are approved by the U.S. Secretary of Agriculture and have entered into a participation agreement with the U.S. Secretary of Agriculture);
_____	_____	The undersigned is a family office with at least \$5,000,000 in assets under management and that was not formed for the specific purpose of acquiring the securities offered, and whose investment is directed by a person capable of evaluating the merits and risks of the prospective investment;
_____	_____	The undersigned is a bank as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in either an individual or fiduciary capacity;

SECTION 10. DISTRIBUTION OPTIONS *(Select one)*

OPTION 1. Send distributions via ACH *(Direct Deposit)*

Account Type:

Checking (Attach a pre-printed VOIDED check or bank statement)

Savings (Attach a VOIDED deposit slip or bank statement)

**We are looking for documentation that clearly confirms your account number and routing number for direct deposit.*

Financial Institution Name: _____

Account Number: _____ Routing Number: _____

OPTION 2. Mail Distributions to a Third-Party Brokerage Account

Name of Brokerage Firm: _____ Brokerage Account Number: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

AUTHORIZED SIGNERS

Name/Title: _____

Signature: _____ Date: _____

Name/Title: _____

Signature: _____ Date: _____

SECTION 11. FORM W-9 *Required for ALL subscribers.*

All Subscribers must fill out and sign a Form W-9 for the entity or person(s) who will be receiving distributions. We have attached a copy of a Form W-9 for your convenience on the next page. If you already have a signed copy of Form W-9 prepared, you may include that instead.

Please proceed to the next page to complete the Form W-9.

The balance of this page is intentionally blank.

SECTION 12. AGREEMENT

A. Subscription

1. Subject to the terms and conditions of this Subscription Agreement (“Subscription Agreement”), the Subscriber hereby subscribes for Interests in the Trust having an aggregate purchase price in the amount indicated by the Subscriber in Section 2 hereof.
2. The Trust shall have the sole right, at its complete discretion, to accept or reject this application for a subscription, in whole or in part, for any reason and that the same shall be deemed to be accepted by the Trust only when it is signed by a duly authorized officer of the Trust. Notwithstanding anything in this Subscription Agreement to the contrary, the Trust shall have no obligation to issue any of the Interests to any person who is a resident of a jurisdiction in which the issuance of the Interests to such person would constitute a violation of the securities, “blue sky”, Patriot Act, or other similar laws of such jurisdiction.

B. Privacy Policy

1. In accordance with securities law requirements and Patriot Act compliance, the Trust and its affiliates collect nonpublic personal information about investors from information received on subscription documents and other forms and information required in connection with a subscription for Interests and information concerning Subscriber’s transaction with the Trust.
2. The Trust and its affiliates will not disclose any nonpublic personal information relating to current or former investors except in connection with:
 - the administration, processing, and servicing of Interests;
 - services provided to the Trust, such as those provided by auditors, tax advisers, legal advisers, or other Trust service providers;
 - banks and other financial institutions, lenders or providers of financing; or
 - government agencies, regulatory authorities, courts and the like.

In each such case, the Trust and its affiliates’ disclosure of any nonpublic personal information will be subject to customary undertakings and requirements of confidentiality.

3. The Trust and its affiliates restrict access to nonpublic personal information relating to investors to personnel of the Trust and its affiliates, and other personnel covered by appropriate confidentiality requirements who need to know that information in connection with the operation of the Trust, including for purposes of complying with anti-money-laundering laws, the Patriot Act, and Know Your Customer regulations.
4. The Trust and its affiliates maintain physical, electronic, and procedural controls in keeping with U.S. federal standards to reasonably safeguard the Trust’s nonpublic personal information relating to investors.

C. Representations, Warranties and Covenants of the Subscriber

As an inducement to the Trust to approve the sale to the Subscriber the Interests for which it has subscribed, the Subscriber represents and warrants to the Trust as follows:

1. The Subscriber has received a copy of the Trust’s Memorandum, and has subscribed for and will hold all Interests subject to the terms of the Memorandum, Purchase Agreement, and Trust Agreement. The Subscriber has read and understands the Memorandum. In making this subscription, the Subscriber has not relied on any information (whether oral or written) that is inconsistent with the information contained in the Memorandum, the Purchase Agreement, or the Trust Agreement.

2. The Subscriber has reviewed and meets the applicable investor suitability and eligibility requirements set forth in the Memorandum under “Suitability Standards”. Subscriber is an “Accredited Investor” as defined by Rule 501 of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”).
3. The Subscriber represents that all the information set forth herein regarding the Subscriber (including, but not limited to its financial position), is correct and complete as of the date of this Subscription Agreement, and if there should be any material change in such information prior to the Subscriber becoming a shareholder of the Trust, the Subscriber will immediately furnish such revised or corrected information to the Trust.
4. The Subscriber is acquiring Interests for its own account for investment and not with a view to the resale or distribution thereof.
5. Investment in the Trust is speculative and includes the risks summarized under “Risk Factors” in the Memorandum. The Subscriber is able to afford the risks of an investment in the Trust, which include illiquidity and the potential disruption or loss of income, or principal, or both.
6. The Subscriber understands that restrictions on the transfer, sale, hypothecation, or encumbrance of the Interests are required by various provisions of law, including the federal securities laws, tax requirements and ERISA, among others, and the provisions of the Trust. Subscriber represents that the acquisition of the Interests will not, and Subscriber agrees that Subscriber will not transfer, or attempt to transfer, any Interests, and that the Trust may refuse to permit such transfer, if the transfer could, result in any violation of the restrictions on ownership and transfer of Interests set forth in the Trust Agreement. An authorized transferee will be required to complete, execute and deliver a subscription agreement and agree to be bound by its terms. Any attempted transfer of Interests in violation of this Section shall be null and void.
7. The Subscriber agrees to furnish the Trust with any information, representations and forms as shall reasonably be requested by the Trust or its affiliates from time to time to assist it in complying with any applicable law or tax requirements or determining the extent of, and in fulfilling, its withholding obligations. The Subscriber agrees to furnish the Trust with any representations and forms as shall reasonably be requested by the Trust to assist it in obtaining any exemption, reduction or refund of any withholding or other taxes imposed by any taxing authority or other governmental agency upon the Trust or amounts paid to the Trust. The Subscriber represents that it has provided the Trust with a completed and executed Form W-9.
8. The Subscriber has sufficient knowledge and experience in financial matters so as to be capable of evaluating the merits and risks of purchasing Interests and is able to bear the economic risk of such investment, including a complete loss. In this regard, the Subscriber acknowledges that an investment for Interests will be illiquid and that there is no guarantee that the Trust or its affiliates will be successful in executing its strategic business plan or exit plan to achieve liquidity. The Subscriber has determined that the Interests subscribed for are a suitable investment. The Subscriber understands that it must bear the economic risk of an investment in the Trust for an indefinite period of time and represents and warrants that it can bear the economic risk of losing its entire investment in the Trust. The Subscriber understands that an investment in the Trust is illiquid and there is presently no public market for Interests (nor is it anticipated that any public market for such Interests will develop). The Subscriber’s overall commitment to the Trust and other investments that are not readily marketable is not disproportionate to the Subscriber’s net worth and the Subscriber has no need for immediate liquidity in the Subscriber’s investment in Interests.
9. If the Subscriber is not a natural person, the Subscriber is duly organized, validly existing, and in good standing under the laws of its jurisdiction of organization and has the power and authority to enter into this Subscription Agreement and each other document required to be or otherwise executed and delivered by the Subscriber in connection with this subscription for Interests, and to perform its obligations hereunder and thereunder and consummate the transactions contemplated hereby and thereby, and the person(s) signing this Subscription Agreement on behalf of the Subscriber has been duly authorized to execute and deliver this Subscription Agreement and each other document required to be or otherwise executed and delivered by the Subscriber in connection with this subscription for Interests. If the Subscriber is an individual, the Subscriber has all requisite legal capacity to acquire and hold the Interests and to execute, deliver and comply with the terms of each of the documents required to be executed and delivered by the Subscriber in connection with this subscription for Interests.

10. The execution and delivery by the Subscriber, and compliance by the Subscriber with this Subscription Agreement and each other document required to be executed and delivered by the Subscriber in connection with this subscription for Interests does not conflict with, or constitute a default under, any instruments governing the Subscriber, any law, regulation or order, or any agreement to which the Subscriber is a party or by which the Subscriber is bound. This Subscription Agreement is valid and binding on and enforceable against the Subscriber in accordance with its terms.
11. If the Subscriber's subscription for Interests is accepted, the Subscriber will execute and/or supply any additional documentation or information that the Trustee, a placement agent or the Trustee determines is reasonably required to determine suitability and/or eligibility to acquire and hold Interests.
12. The Subscriber has read and agrees to the terms of the Privacy Notice included herein as Section 9 Subsection B ("Privacy Policy"). The Subscriber understands that all information provided in connection with the Trust is confidential and proprietary and may include trade secrets and other commercially sensitive information. The Subscriber agrees that it will not disclose or use any of the information provided in connection with the Trust or the subscription of Interests, or permit any of its representatives or advisors to disclose or use such information, unless it has received the prior written consent of the Trust.
13. The Subscriber has not ever filed (or had filed against Subscriber) a petition under the federal bankruptcy laws or any state insolvency law or had a receiver, fiscal agent or similar officer appointed by a court for your business or property; has not filed any litigation or had any litigation filed against Subscriber at any time during the last five years; is not a party to any pending litigation; and is not in the process of being charged and/or has not been convicted or had any partner in a management or principal ownership role been convicted of or charged with a criminal act or been the subject of a pending criminal proceeding (excluding traffic violations and other minor offenses). If any of the prior statements are not true of Subscriber, Subscriber must notify Trust and provide details PRIOR to proceeding with an investment in the Offering.
14. The Subscriber understands that the Interests have not been registered under the laws of any jurisdiction (including the Securities Act, the laws of any state of the United States of America or the laws of any foreign jurisdiction), nor is such registration contemplated. The Subscriber understands and agrees further that the Interests may not be offered, resold, pledged or otherwise transferred unless they have been registered under the Securities Act and any applicable state or other securities laws or unless an exemption from such registration is available. Even if such an exemption is available, the assignability and transferability of the Interests will be governed by the Memorandum, Trust Agreement, and this Subscription Agreement, which imposes other substantial restrictions on transfer. The Subscriber understands that legends stating that the Interests have not been registered under the Securities Act and any applicable state or other laws and setting out or referring to the restrictions on the transferability and resale of the Interests will be placed on documents evidencing the Interests, if any.
15. If the Subscriber is a "Benefit Plan Investor" as defined in Section 5 of this Agreement, the Subscriber has so indicated in Section 5 hereof. If Subscriber is a Benefit Plan Investor, Subscriber (i) acknowledges that (a) the person causing the Subscriber to purchase Interests (a "Plan Fiduciary") has exercised independent judgment in evaluating for itself the merits of such investment, and (b) the Plan Fiduciary has not solicited and has not received from the Trust, the Trustee or any of their respective affiliates any evaluation or other impartial investment advice on any basis in respect of the advisability of this or any other investment in light of the plan's assets, cash needs, investment policies or strategy, overall portfolio composition or plan for diversification of assets, and it is not relying and has not relied on any such persons for any such advice and (ii) represents that neither the execution and delivery of this Subscription Agreement nor the purchase or holding of the Interests constitutes a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. The Plan Fiduciary (i) is a "fiduciary" within the meaning of Section 3(21) of ERISA or Section 4975 of the Code; (ii) is responsible for the Subscriber's decision to purchase Interests; (iii) is capable of evaluating investment risks independently, both in general and with regard to the Subscriber's purchase of Interests; (iv) is independent of the Trust, the Trustee and any of their respective affiliates; (v) is qualified to make such investment decision; and (vi) if the Subscriber is an "individual retirement account" or "individual retirement annuity" within the meaning of Section 408 of the Code, is not the owner of such "individual retirement account" or "individual retirement annuity" or a relative thereof.

16. Subscriber has received and reviewed, with assistance from such legal, tax, investment, and other advisors and skilled persons as the undersigned has deemed appropriate, the Trust Agreement of the Trust and hereby covenants and agrees to be bound by and adopts the Trust Agreement as a Beneficial Owner (as defined in the Trust Agreement).

D. Indemnification for Subscriber's Misrepresentations or Failures to Perform

1. Subscriber shall indemnify, defend and hold harmless the Trust, ExchangeRight Real Estate, LLC (the "Sponsor"), and all of their respective affiliates, limited partners, general partners, members, managers, officers, directors, affiliates, representatives and advisors from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) that they may incur by reason of Subscriber's failure to fulfill all of the terms and conditions of this Subscription Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents Subscriber has furnished to any of the foregoing in connection with the transactions described herein. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) incurred by the Trust, the Sponsor or any of their affiliates, respective general partners, limited partners, members, managers, officers, directors, affiliates, representatives or advisors defending against any alleged violation of federal or state securities laws which is based upon or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents that Subscriber has furnished to any of the foregoing in connection with this transaction.
2. The Subscriber certifies that: (i) the Subscriber's name, taxpayer identification or social security number and address provided in this Subscription Agreement are correct; and (ii) the Investor will complete and return with this Subscription Agreement an Internal Revenue Service Form W-9, Request for Taxpayer Identification Number and Certification.
3. All representations, warranties and covenants of the Subscriber contained herein shall survive the acceptance of this subscription.

E. Patriot Act Compliance

As a material condition of investing in the Trust, and without limiting the other provisions of this Subscription Agreement, each Subscriber represents, warrants, covenants and agrees with, and certifies to, the Trust as follows (collectively, the "Patriot Act Compliance Provisions"):

1. Subscriber, and any direct or indirect beneficial owner of Subscriber, has not committed any Patriot Act Offense. "Patriot Act Offense" means any violation of any of the following (collectively, "Applicable Laws") (a) the Patriot Act¹; or (b) the federal criminal laws of the United States of America or the state criminal laws of any state or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of such states, relating to terrorism or the laundering of monetary instruments; or (c) the requirements of any Executive Order² or OFAC (Office of Foreign Assets Control) Laws and Regulations;³ or (d) crimes of conspiracy to commit, or aiding and abetting another to commit, any Patriot Act Offense.

¹ "Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Public Law 107-56 (October 26, 2001), as the same may be amended from time to time, and corresponding provisions of future laws.

² "Executive Order" means any Presidential Executive Orders, including, without limitation, Presidential Executive Order No. 13224 (September 24, 2001).

³ "OFAC Laws and Regulations" means any lists, laws, rules, sanctions and regulations maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation, including the Trading with the Enemy Act, 50 App. U.S.C. § 1 *et seq.*, as amended from time to time, the International Emergency Economic Powers Act, 50 U.S.C. § 1 Working Interest1 *et seq.*, as amended from time to time, the un-repealed provisions of the Iraqi Sanctions Act, Publ. L. No. 101-513, United Nations Participation Act, 22 U.S.C. § 287c *et seq.*, as amended from time to time, the International Security and Development Cooperation Act, 22 U.S.C. § 2349aa-9 *et seq.*, as amended from time to time, The Cuban Democracy Act, 22 U.S.C. § 6001 *et seq.*, as amended from time to time, The Cuban Liberty and Democratic Solidarity Act, 22 U.S.C. § 6021 *et seq.*, as amended from time to time, The Antiterrorism and Effective Death Penalty Act, 8 U.S.C. § 1189 *et seq.*, and The Foreign Narcotics Kingpin Designation Act, 21 U.S.C. § 1901 *et seq.*, as amended from time to time.

2. **Legal Source of Funds:** The funds invested by Subscriber in the Trust, and all funds received, directly or indirectly, by Subscriber from any direct or indirect beneficial owner of Subscriber, are derived from legal sources and without violation of Applicable Laws.
3. **Identity of Subscriber:** Subscriber, and any direct or indirect beneficial owner of Subscriber, (i) is not listed on any Governmental Lists,⁴ or a person who acts for or on behalf of, any person, group or entity on the Governmental Lists; or (ii) is not a person who has been determined by competent authority to be subject to the prohibitions contained in any Executive Orders, including without limitation being a person designated under Section 1(b), (c) or (d) of Executive Order 13224; or (iii) is not and has not in the past been under investigation by any governmental authority for, or has been charged with or convicted of, any Patriot Act Offense, or assessed civil penalties under Applicable Laws or related laws, or subject to seizure or forfeiture of its funds in any action under Applicable Laws or related laws.
4. **Prohibited Activities:** Subscriber, and any direct or indirect beneficial owner of Subscriber, has not been, and will not in the future be (i) a person who is located in a country with which dealings are prohibited or restricted by the United States federal government; (ii) dealing in a prohibited manner with a country or person or entity in a country with which dealings are prohibited or restricted by the United States government; or (iii) a person who commits a Patriot Act Offense.
5. **Consent to Disclosure of Information:** Subscriber consents to the Trust performing a search of applicable Governmental Lists prior to acceptance of any subscription for Shares, which search may be performed by a third party. Subscriber shall provide to the Trust prior to acceptance of its subscription, and from time to time thereafter as requested by the Trust, all information reasonably required by the Trust to establish compliance with these Patriot Act Compliance Provisions.
6. **Notice of Violation:** Subscriber shall immediately notify the Trust in writing of the relevant facts and circumstances if any representation or warranty set forth in these Patriot Act Compliance Provisions is no longer true or accurate in any respect, including becoming a person who is listed on any of the Governmental Lists, or who has become a designated person pursuant to any of the Executive Orders, or who is under investigation by any governmental entity for or has been charged with or convicted of, any Patriot Act Offense.
7. **Further Restriction on Transfers:** Without limiting any provisions in the Declaration of Trust or the Bylaws of the Trust, it is further agreed that no transfer of any direct or indirect interest in the Trust, or of the equity or other beneficial ownership interests in any Subscriber that is an entity, shall be effective until the transferee has provided a written certification by the transferee to the Trust that the transferee shall be bound by, subject to and shall comply with all of the Patriot Act Compliance Provisions set forth in this Section 9 Subsection E.
8. **Indemnification and Consequences of Breach:** Subscriber acknowledges that Subscriber understands the meaning and legal consequences of the representations, warranties and covenants of these Patriot Act Compliance Provisions set forth in this Section 9 Subsection E, and understands that the Trust has relied upon such representations, warranties and covenants, in connection with any sale of Shares pursuant thereto and Subscriber hereby agrees to indemnify and hold harmless the Trust, the Trustee and their affiliates and their officers, managers, controlling persons, agents and employees, from and against any and all losses, damages or liabilities due to or arising out of a breach of any representation, warranty or covenant made by Subscriber herein (including losses, damages or liabilities under agreements with lenders or mezzanine financiers to and/or equity partners). Without limiting the foregoing, in the event of a breach by Subscriber (or its successors and assigns) of any of the representations, warranties, covenants and agreements set forth in these Patriot Act Compliance Provisions, the Trust shall have, in addition to and without limiting all of the rights and remedies otherwise available at law or in equity, the right to purchase Subscriber's Shares for cash at a purchase price equal to the lesser of (a) 70% of the purchase price of the Share and

⁴ "Governmental Lists" means (1) the SDN List (Specially Designated Nationals and Blocked Persons Lists maintained by OFAC, as such list is amended from time to time), (2) the Denied Persons List and the Entity List maintained by the United States Department of Commerce, (3) the List of Terrorists and List of Disbarred Parties maintained by the United States Department of State, (4) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the OFAC Laws and Regulations, (5) any other similar list maintained by the United States Department of State, the United States Department of Commerce or any other Governmental Authority or pursuant to any Executive Order of the President of the United States of America, and (6) any list or qualification of "Designated Nationals" as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, as all such Governmental Lists may be updated from time to time.

(b) 70% of the NAV of such Shares (as determined in accordance with the Memorandum), regardless of the current fair value of the Shares or the Trust's assets.

9. **Acknowledgement of Terms:** Subscriber understands and acknowledges that these Patriot Act Compliance Provisions are fair and reasonable in light of the Trust's business and operation, and that they (i) are a material condition precedent of the Trust's acceptance of Subscriber's subscription; (ii) are in addition to the other representations, warranties, covenants and agreements set forth in this Subscription Agreement (and to the extent of a conflict, the terms of these Patriot Act Compliance Provisions shall control); (iii) shall survive the Trust's acceptance of Subscriber's subscription; and (iv) shall be binding upon Subscriber's successors and assigns.

SECTION 13: SIGNATURES *Required for ALL subscribers.*

The Subscriber has read and understood the full Agreement terms in Section 12 as well as the Private Placement Memorandum, including particularly the "Risk Section," prior to proceeding with an investment in this Offering. If you do not have another broker-dealer or other financial intermediary introducing you to the Trust, then ExchangeRight Securities, LLC (ERS) may be deemed to be acting as your broker-dealer of record in connection with any investment in the Trust. For important information in this respect, see below. Further, by signing below, you acknowledge that the Sponsor and ERS have not acted in a fiduciary capacity under the Employee Retirement Income Security Act of 1974 to you or your Financial Advisor, and any communications made by either the Sponsor or ERS are not intended to be, and should not be considered as, impartial investment advice. ERS will not monitor the investment and has not and will not make any recommendation regarding such investment. If you want to receive financial advice regarding a prospective investment in the Interests, contact your broker or other financial intermediary. Subscriber hereby subscribes for the Interests on the terms and conditions set forth herein in this agreement. The Subscriber recognizes that the Trust and its counsel are relying on the truth and accuracy of the foregoing information in reliance on the exemption contained in Subsection 4(2) of the Securities Act and Regulation D promulgated thereunder. To the best of the undersigned's knowledge, information and belief, the foregoing information supplied by the undersigned is true and correct in all respects and the undersigned represents that the undersigned will notify the Trust promptly of any changes in the foregoing information that may occur prior to the investment.

Individuals *Individual and joint tenant account types.*

Name: _____

Signature: _____ Date: _____

Name: _____

Signature: _____ Date: _____

CONSENT OF SPOUSE TO BE BOUND BY SUBSCRIPTION AGREEMENT

Required for individual subscribers residing in community property states only. (Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin)

I, _____ the spouse of _____, a party to the foregoing Subscription Agreement, acknowledge that I have reviewed the Subscription Agreement and that I hereby agree to be bound by each and every term and condition of the Subscription Agreement. I consent to such purchase, approve the provisions of the Subscription Agreement relating thereto, and agree to be bound by the terms and provisions thereof.

Dated: _____

By: _____

Printed Name: _____

Entities: *Trusts, limited liability companies, corporations, and legal entity account types.*

Entity Name: _____

Signer Name/Title: _____

Signature: _____ Date: _____

Signer Name/Title: _____

Signature: _____ Date: _____

RIA / Broker-Dealer

Please note that all subscriptions must be made through a Broker-Dealer, including when a Registered Investment Advisor has introduced the Subscriber(s). In all cases, this section must be completed. The Broker-Dealer, Registered Representative, Registered Investment Advisor, and/or Advisor representing and/or advising the Subscriber(s) making an investment in this Offering acknowledge and agree to the following:

The undersigned confirm(s), which confirmation is made on behalf of the Broker-Dealer with respect to sales of securities made through a Broker-Dealer, that they (i) have reasonable grounds to believe that the information and representations concerning the Subscriber(s) identified herein are true, correct and complete in all respects; (ii) have discussed such Subscriber(s)'s prospective purchase of Interests with such Subscriber(s); (iii) have advised such Subscriber(s) of all pertinent facts with regard to the lack of liquidity and marketability of the Interests; (iv) have delivered or made available a current Memorandum and related supplements, if any, to such Subscriber(s); (v) have reasonable grounds to believe, on the basis of information supplied by the prospective Subscriber(s) concerning its investment objectives, other investments, financial situation and needs, and other pertinent information that: (a) the prospective Subscriber(s) is an "Accredited Investor" as defined in Section 501(a) of Regulation D of the Securities Act and meets the purchaser suitability requirements set forth in the Memorandum and this Subscription Agreement; (b) the prospective Subscriber(s) has a net worth and income sufficient to sustain the risks inherent in the Interests, including loss of investment and lack of liquidity; and (c) the Interests are otherwise a suitable purchase for the prospective Subscriber(s); and (vii) have advised such investor that the Interests have not been registered and are not expected to be registered under the laws of any country or jurisdiction outside of the United States except as otherwise described in the Memorandum. The undersigned Investment Advisor or Registered Representative further represents and certifies that, in connection with this subscription for Interests, (i) he or she has complied with and has followed all applicable policies and procedures under his or her firm's existing Anti-Money Laundering Program and Customer Identification Program, (ii) maintains the necessary licensing requirements to recommend this investment to their clients, if an Adviser, is an entity organized and presently in good standing under the laws of its state of formation, and is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), or is registered or licensed as an investment adviser by the appropriate regulatory agency of each state in which Adviser has Clients, or is exempt from such registration requirements; Adviser, and Adviser's general partner or managing member and, to its reasonable knowledge, any (i) director, (ii) executive officer, or (iii) any other officer of Adviser participating in the Offerings (collectively, Adviser's "Principals"), is not a "bad actor" as defined under Rule 506(d) and 506(e) of Regulation D under the Securities Act, and (iii) will maintain files disclosing the basis upon which the suitability and best interests of this Subscriber was determined.

If you do not have another broker-dealer, then ExchangeRight Securities, LLC ("ERS") may be deemed to act as your broker of record in connection with any investment in the Trust. ERS is not a full-service broker-dealer and may not provide the kinds of financial services that you might expect from another financial intermediary, such as holding securities in an account. If ERS is the broker of record, then the Subscriber(s) Interests will be held in your name on the books of the Trust. ERS will not monitor the Subscriber(s) investments and has not and will not make any recommendation regarding such investments.

We verify that the above subscription either does not involve a discretionary account or, if so, that the prospective investor's prior written approval was obtained relating to the liquidity and marketability of the Interests during the term of the purchase.

Investment Advisor or Registered Representative:

RIA / Broker-Dealer Firm Name: _____

Name: _____

Signature: _____ Date: _____

Email Address: _____ Phone: _____

Principal Officer of Broker-Dealer:

Broker-Dealer Name: _____

Principal/Officer Name: _____

Signature: _____ Date: _____

ExchangeRight Net-Leased All-Cash 18 DST Approval Section:

The Trust hereby accepts the above application for subscription for Interests and the Subscriber is admitted to the Trust as an Owner as of the effective date of closing provided on the fully executed closing statement (the “Effective Date of Closing”).

Entity Name: ExchangeRight Net-Leased All-Cash 18 DST, a Delaware statutory trust

Signer Name: _____

Signature: _____ Title: _____

EXHIBIT D
MASTER LEASE

MASTER LEASE AGREEMENT

Between

**ExchangeRight Net-Leased All-Cash 18 DST
a Delaware statutory trust**

Landlord,

and

**EXCHANGERIGHT NET-LEASED ALL-CASH 18 MASTER LESSEE, LLC
a Delaware limited liability company**

Tenant

Dated as of October 31, 2025

MASTER LEASE

THIS MASTER LEASE AGREEMENT (this “Lease”) is made and entered into as of October 31, 2025 by and between ExchangeRight Net-Leased All-Cash 18 DST, a Delaware statutory trust (hereinafter referred to as “Landlord”), and ExchangeRight Net-Leased All-Cash 18 Master Lessee, LLC, a Delaware limited liability company (hereinafter referred to as “Tenant”) in anticipation of Landlord’s ownership of the Premises (hereinafter defined).

ARTICLE 1
BASIC PROVISIONS AND CERTAIN DEFINED TERMS

- 1.1 Premises Information: The real property described on Exhibit A.
- 1.2 Landlord and address: ExchangeRight Net-Leased All-Cash 18 DST,
a Delaware statutory trust
1055 E. Colorado Blvd., Suite 310
Pasadena, CA 91106
Attn: Joshua Ungerecht
- 1.3 Tenant and address: ExchangeRight Net-Leased All-Cash 18 Master
Lessee, LLC, a Delaware limited liability
company
1055 E. Colorado Blvd., Suite 310
Pasadena, CA 91106
Attn: Joshua Ungerecht
- 1.4 Annual Base Rent: As specified in Article 4 and on Exhibit C.
- 1.5 Commencement Date: Such date that Landlord takes title to the
Premises.
- 1.6 Expiration Date: Concurrently with Landlord’s termination.
- 1.7 Guaranty: The Guaranty between Landlord and
ExchangeRight Income Fund Operating
Partnership, LP, a Delaware limited partnership,
dated as of the date of this Lease and attached
hereto as Exhibit D.
- 1.8 Monthly Base Rent: One-twelfth of the Annual Base Rent in effect
from time to time.

- 1.9 Permitted Use: All lawful purposes incidental to the property comprising the Premises (as hereinafter defined).
- 1.10 “Trust Agreement” The Trust Agreement of Landlord dated August 27, 2025.

ARTICLE 2
DEMISE OF LEASEHOLD

2.1 Demise of Leasehold. Landlord hereby leases to Tenant as of the Commencement Date, and Tenant hereby leases from Landlord as of the Commencement Date, the property identified in Section 1.1, which comprises the property and real estate legally described in Exhibit A, together with (i) all improvements now located thereon or to be located thereon during the Term (as hereinafter defined), (ii) all appurtenances belonging to or in any way pertaining to the said premises, and (iii) together with the right of ingress to and egress from such property (such property, real estate, improvements, and appurtenances hereinafter referred to as the “Premises”).

2.2 Assignment of Existing Leases; Subleases, Contracts.

2.2.1 Landlord hereby assigns, transfers and quit claims without warranty to Tenant, and Tenant hereby accepts, all of Landlord’s right, title, and interest in and to (and Tenant hereby assumes all duties and obligations of Landlord under) any and all leases currently affecting the Premises set forth on Exhibit B attached hereto. In addition, Landlord hereby grants Tenant the right to enter into new subleases with respect to the Premises. For purposes of this Lease, each such assigned lease and all subleases hereinafter entered into by Tenant as sublandlord shall become a sublease (each a “Sublease” and collectively, the “Subleases” and the tenant under each Sublease is herein referred to as “Subtenant”). Tenant shall assume all obligations and liabilities of the Landlord with respect to the Subleases on or after the Commencement Date. All rent due under the Subleases for periods after the date hereof shall be payable to Tenant. If this Lease is being entered into concurrently with Landlord’s acquisition of the Premises, then to the extent Landlord is required by the purchase contract for the Premises to remit any rents collected to the Seller, then Tenant shall remit such rents to the Seller.

2.2.2 Landlord hereby assigns, transfers and quit claims without warranty to Tenant, and Tenant hereby accepts, all of Landlord’s right, title, and interest in and to (and Tenant hereby assumes all duties and obligations of Landlord under) any and all contracts in connection with the operation, leasing and/or management of the Premises.

2.2.3 Upon the termination or expiration of this Lease, all Subleases, and contracts shall be deemed to have been automatically assigned or reassigned to Landlord, and Landlord shall be deemed to have automatically assumed all duties and obligations of Tenant under all Subleases and contracts without any further action on the part of Tenant. In the event of such reassignment, Tenant agrees to execute such documentation as may be required to confirm the automatic assignment/reassignment contained herein. In accordance with the terms of this Section and provided a reassignment has occurred, Landlord agrees not to disturb possession of the Subtenants under the Subleases existing as of the date hereof or hereafter entered into in accordance with this Agreement, unless any such Subtenant is in default under any of the terms, covenants, or conditions of its Sublease. Landlord and Tenant intend that all Subtenants may rely upon, and that all Subtenants be third party beneficiaries of this Agreement with respect to, the provisions of this Section 2.2.

2.3 No Merger of Title.

There shall be no merger of the Tenant's estate ("Leasehold Estate") with the Landlord's estate ("Fee Estate") by reason of the fact that the same person may own or hold (i) the Leasehold Estate or any interest therein, and (ii) the Fee Estate or any interest therein. No merger of the Leasehold Estate and the Fee Estate shall occur unless and until all persons, including any lender, having any interest in either (i) the Leasehold Estate, or (ii) the Fee Estate, shall join in a written instrument effecting such merger and shall duly record the same.

ARTICLE 3 TERM

- 3.1 Term. The initial term of this Lease shall commence as of the Commencement Date and shall end on the Expiration Date, unless sooner terminated or extended as provided herein (the "Initial Term").
- 3.2 Renewal Option. Tenant shall have no renewal options. The "Term" as used herein shall mean the Initial Term.
- 3.3 Delivery of Possession. Landlord shall deliver possession of the Premises to Tenant as of the Commencement Date.
- 3.4 Lease Year Defined. "Lease Year" shall mean (i) if the Commencement Date is the first day of a calendar month, the twelve (12) month period commencing on the Commencement Date, or (ii) if the Commencement Date is not the first day of a calendar month, the period commencing on the Commencement Date and ending on October 31, 2026 and each succeeding twelve (12) month period.

ARTICLE 4 ANNUAL BASE RENT

- 4.1 Annual Base Rent Commencement Date. Tenant shall commence payment of Annual Base Rent as of the Commencement Date. If Landlord has acquired the Premises on the Commencement Date, Landlord shall be entitled to prorate its rental payment in the first month that this Agreement is effective.
- 4.2 Annual Base Rent. Tenant shall pay an Annual Base Rent to Landlord for the Premises, payable in equal monthly installments of Monthly Base Rent, in arrears on the first day of each calendar month of the Term in the amounts set forth on Exhibit C attached hereto, provided that the last payment of Annual Base Rent shall be on the Expiration Date.
- 4.3 Direction to Pay. Landlord hereby directs Tenant to make on Landlord's behalf, any and all payments of any kind required to be paid related to the Premises.
- 4.4 Guaranty. Pursuant to the terms of the Guaranty, attached hereto as Exhibit D, ExchangeRight Income Fund Operating Partnership, LP, a Delaware limited partnership, shall agree to guaranty for the benefit of Landlord, and its successors and assigns, all obligations and liabilities of Tenant with respect to this Master Lease.
- 4.5 Manner of Payment. Annual Base Rent and Impositions (as hereinafter defined) and all other amounts becoming due from Tenant to Landlord hereunder (hereinafter collectively referred to as "Rent") shall be paid in lawful money of the United States to Landlord at the office of Landlord, or as otherwise designated from time to time by written notice from Landlord to Tenant.

As of the Commencement Date, Landlord has directed Tenant to make all payments under this Lease.

ARTICLE 5 IMPOSITIONS

5.1 Obligation to Pay Impositions. In addition to paying the Annual Base Rent specified in ARTICLE 4, Tenant shall also pay as additional rent the amounts determined in accordance with this ARTICLE 5.

5.2 Payment by Tenant. Tenant shall pay as additional rent for the Premises, all taxes and assessments, general and special, water rates and all other impositions, ordinary and extraordinary, foreseen or unforeseen, of every kind and nature whatsoever, which may be levied, assessed, charged or imposed during the Term upon the Premises, or any part thereof, or upon any improvements at any time situated thereon, (collectively, the “Impositions”); provided, however, that Impositions levied against the Premises shall be prorated between Landlord and Tenant as of the Commencement Date for the first year of the Term and as of the expiration date of the Term for the last year of the Term (on the basis of Landlord’s reasonable estimate thereof). Impositions shall also include fees and costs incurred by Landlord during or prior to the Term for the purpose of contesting or protesting tax assessments or rates, to the extent such fees and costs relate to savings realized during the Term and any extension thereof. Tenant may take the benefit of the provisions of any statute or ordinance permitting any assessment to be paid over a period of years, and Tenant shall be obligated to pay only those installments falling due during the Term. Tenant shall be entitled to set off against its obligation to pay Impositions for any specified period the amount of any deposits previously made by Tenant to any lender for the Payment of such Impositions.

5.3 Alternative Taxes. If at any time during the Term the method of taxation prevailing at the commencement of the Term hereof shall be altered so that any new tax, assessment, levy, imposition or charge, or any part thereof, shall be measured by or be based in whole or in part upon this Lease or the Premises or the Annual Base Rent or additional rent or other income therefrom, and shall be imposed upon the Landlord, then all such taxes, assessments, levies, impositions or charges, or the part thereof, to the extent that they are so measured or based, shall be deemed to be included within the definition of Impositions for the purposes hereof to the extent that such Impositions would be payable if the Premises were the only property of Landlord subject to such Impositions, and Tenant shall pay and discharge the same as herein provided in respect of the payment of Impositions.

5.4 Representations and Warranties. Tenant agrees and acknowledges that Landlord has made no representation, warranty or guaranty relating to the amount of the Impositions. Tenant has had an opportunity to consult with Landlord with respect to the Impositions projected for the operation of the Premises but has not relied upon any statements or representations of Landlord or any agent or affiliate of Landlord in regard thereto in executing this Lease and agreeing to perform the terms and covenants hereof and shall make no claims against Landlord based thereon.

ARTICLE 6 PERMITTED USE, POSSESSION, AND COMPLIANCE WITH LAWS

6.1 Permitted Use. Tenant shall limit the use and occupancy of the Premises (by the Subtenants or otherwise) to the Permitted Use, and such other incidental uses that are ancillary to the Permitted Use. Tenant covenants and agrees to use and occupy the Premises in conformity with all Legal Requirements (as such term is defined in Section 6.3).

6.2 Possession. Tenant's taking possession of the Premises or any portion thereof shall be conclusive evidence against Tenant that the portion of the Premises taken possession of was then in good order and satisfactory condition. No promises of Landlord to alter, remodel, improve, repair, decorate or clean the Premises or any part thereof have been made and no representation respecting the condition of the Premises has been made to Tenant by or on behalf of Landlord.

6.3 Compliance with Legal Requirements. Tenant shall at its sole cost and expense comply with the following (collectively, "Legal Requirements"): (i) all federal, state, county, municipal and other governmental and quasi-governmental statutes, laws, rules, orders, regulations and ordinances affecting the Premises or any part thereof, or the use thereof, including those which require the making of any structural, unforeseen or extraordinary changes, whether or not any such statutes, laws, rules, orders, regulations or ordinances which may be hereafter enacted involve a change of policy on the part of the governmental body enacting the same; and (ii) all rules, orders and regulations of the National Board of Fire Underwriters or other bodies exercising similar functions in connection with the prevention of fire or the correction of hazardous conditions, which apply to the Premises. Tenant shall comply with the requirement of all policies of public liability, fire and other insurance which at any time may be in force with respect to the Premises.

6.4 Americans With Disabilities Act. The parties acknowledge that the Americans With Disabilities Act of 1990 (42 U.S.C. §12101 et seq.) and regulations and guidelines promulgated thereunder, as all of the same may be amended and supplemented from time to time (collectively referred to herein as the "ADA") establish requirements under Title III of the ADA ("Title III") pertaining to business operations, accessibility and barrier removal, and that such requirements may be unclear and may or may not apply to the Premises depending on, among other things: (i) whether Tenant's business operations are deemed a "place of public accommodation" or a "commercial facility;" (ii) whether compliance with such requirements is "readily achievable" or "technically infeasible;" and (iii) whether a given alteration affects a "primary function area" or triggers so-called "path of travel" requirements. The parties acknowledge and agree that Tenant has been provided an opportunity to inspect the Premises sufficient to determine whether or not the Premises in their condition current as of the date hereof deviate in any manner from the ADA Accessibility Guidelines ("ADAAG") or any other requirements under the ADA pertaining to the accessibility of the Premises. Tenant further acknowledges and agrees that except as may otherwise be specifically provided herein, Tenant accepts the Premises in "as-is" condition and agrees that Landlord makes no representation or warranty as to whether the Premises conforms to the requirements of the ADAAG or any other requirements under the ADA pertaining to the accessibility of the Premises. Tenant has prepared or reviewed the plans and specifications for the Tenant's Work and has independently determined that such plans and specifications are in conformance with the ADAAG and any other requirements of the ADA. Tenant further acknowledges and agrees that to the extent that Landlord prepared, reviewed or approved any of those plans and specifications, such action shall in no event be deemed any representation or warranty that the same comply with any requirements of the ADA. Notwithstanding anything to the contrary in this Lease, the parties hereby agree that Tenant shall be responsible for all Title III compliance and costs in connection with the Premises, including structural work, if any, and including any leasehold improvements or other work to be performed in the Premises under or in connection with this Lease; and any so-called Title III "path of travel" requirements triggered by any construction activities or alterations in the Premises, and for all other requirements under the ADA relating the Premises or to the Tenant or any affiliates or persons or entities related to the Tenant (collectively, "Affiliates"), operations of the Tenant or Affiliates, or the Premises, or Subleases including, without limitation, requirements under Title I of the ADA pertaining to Tenant's or any Subtenant's employees.

ARTICLE 7
UTILITIES AND SERVICES

7.1 Utilities and Services. Landlord shall be required to provide no services to Tenant or for the benefit of the Premises, it being understood and agreed that Tenant shall purchase all utility and building services, including, but not limited to, fuel, water, electricity, natural gas, sewerage, waste hauling and disposal, janitorial, and security, from the utility or service provider, and shall pay for such services when such payments are due.

ARTICLE 8
MAINTENANCE, REPAIRS AND ALTERATIONS

8.1 Tenant's Maintenance Obligations. Tenant shall be responsible for all expenses incurred in the maintenance and repair of the Premises, except for "Capital Expenses" (as defined below). Tenant shall take good care (or cause good care to be taken) of the Premises, alleyways and passageways and the sidewalks, curbs and vaults adjoining the Premises, and keep the same (or cause the same to be kept) in good order and condition, ordinary wear and tear and obsolescence excepted, and make necessary nonstructural repairs thereto, interior and exterior. Tenant also shall be responsible for all expenses of all personal property replacements and repairs, including, but not limited to, (i) water heater replacements, (ii) floor covering replacements, (iii) replacement of window coverings, (iv) replacement of appliances, (v) HVAC compressor and condenser replacements, (vi) plumbing fixture replacements, (vii) electrical fixture replacements, and (viii) interior painting. Tenant also shall make (or cause to be made) all repairs necessary to avoid any structural damage or injury to the Premises. All repairs and replacements shall be substantially equal in quality and class to the original work.

8.2 Landlord's Maintenance Obligations. Landlord shall be responsible for all "Capital Expenses," which shall mean any and all costs and expenses incurred in connection with major repairs, replacements, and improvements relating to the Premises, which would normally be capitalized (as determined under generally accepted accounting principles), including, but not limited to, (i) the repair or replacement of roofs, chimneys, gutters, downspouts, underground plumbing, paving, curbs, ramps, driveways, balconies, porches, patios, decks, foundations, exterior walls and all load bearing walls, exterior doors and doorways, windows, elevators, fences and gates, and (ii) exterior painting. Other than as set forth in this Section and as otherwise provided in this Lease, Landlord shall not be required to furnish any services or facilities or make any repairs, replacements or alterations in or to the Premises, Tenant hereby assuming the full and sole responsibility for the operation, repair, replacement, maintenance and management of the Premises. Notwithstanding the foregoing or anything to the contrary herein, Landlord shall not be responsible for any Capital Expenses or, otherwise, for making or performing (or incurring any cost, expense or expenditure for the making or performing of) any repairs, replacements or improvements to, for and/or in respect of any of the Premises that Landlord determines (in its sole discretion) that it is not permitted to be responsible for, make, perform and/or incur pursuant to the terms of its Trust Agreement.

8.3 Use of Reserve Account Funds. The Reserve Account shall be available to Tenant and Landlord as further described in this Section below. Upon the expiration or earlier termination of this Lease, any funds remaining in the Reserve Account shall be disbursed to Landlord or its designee. So long as the Reserve Account has not been totally depleted, the funds in the Reserve Account shall be available to and may be withdrawn by Tenant to pay for: (i) with the consent of Landlord, those repairs described in Section 8.2, (ii) with the consent of Landlord, any Casualty Restoration, and (iii) with the consent of Landlord, any Condemnation Restoration. If the Reserve Account is not available for any reason and funds of Tenant are used to pay for expenses for which

Landlord is responsible hereunder, such amount shall be treated as a loan from Tenant to Landlord, which Tenant may recover, including a reasonable rate of interest, out of the Reserve Account, from Disposition proceeds of the Premises or by set off against Annual Base Rent. Accountable reserves funded at loan closing for the benefit of Landlord shall also be available to Tenant to fund repairs and replacements at the Premises not otherwise funded by the Reserve Account. In addition, these accountable reserves shall be available to Tenant for certain operational and asset management costs incurred in the course of managing the Premises and the portfolio, including unreimbursed tax and insurance payments, and bank, accounting, tax, and filing fees incurred by Tenant on behalf of the Landlord.

8.4 Standard of Care. The necessity for and adequacy of replacements, maintenance and repairs to the Premises pursuant to this Article 8 shall be measured by the standard which is appropriate for properties of similar construction, class and use in the area in which the Premises are situated.

8.5 Alterations.

(a) Tenant may not make any alterations, additions or improvements unless expressly permitted under this Section 8.5.

(b) Tenant may, without the prior written consent of Landlord, make: (i) minor, non-structural alterations, additions or improvements to the Premises or otherwise required to maintain the Premises in the same condition they are in on the date hereof subject to ordinary wear and tear, (ii) any alterations, additions or improvements required by law, and (iii) any alterations, additions or improvements to the Premises permitted under the Subleases entered into and existing as of the Commencement Date.

(c) All alterations, additions and improvements permitted by this Section 8.5 shall be installed in a good, workmanlike manner, and only new, high-grade materials shall be used. Tenant further agrees to hold Landlord harmless from any and all liabilities of every kind and description, which may arise out of or be connected in any way with said alterations, additions, or improvements. Tenant shall pay the cost of all such alterations, additions and improvements and also the cost of decorating the Premises occasioned by such alterations, additions and improvements, including the cost of labor and materials, contractors' profit, overhead and general conditions. Upon completing any alterations, additions or improvements, Tenant shall furnish Landlord with contractors' affidavits, in form required by law, and full and final waivers of lien and receipted bills covering all labor and materials expended and used. All alterations, additions and improvements shall comply with all insurance requirements and with all ordinances and regulations and with all Legal Requirements.

ARTICLE 9 WAIVER OF CERTAIN CLAIMS; INDEMNITY BY TENANT

9.1 Waiver of Certain Claims; Indemnity by Tenant. To the extent not expressly prohibited by law, Tenant releases Landlord and its beneficiaries, if any, and their agents, servants and employees, from and waives all claims for damages to person or property sustained by Tenant, or by any other person, resulting directly or indirectly from fire or other casualty, cause or any existing or future condition, defect, matter or thing in or about the Premises, or from any equipment or appurtenance therein, or from any accident in or about the Premises, or from any act or neglect of any other person, including Landlord's agents and servants. This Section 9.1 shall apply especially, but not exclusively, to damage caused by water, snow, frost, steam, excessive heat or cold, sewerage, gas, odors or noise, or the bursting or leaking of pipes or plumbing fixtures, broken glass, sprinkling or air conditioning devices or equipment, or flooding of basements, and shall apply without distinction as to the person whose act or neglect was responsible for the damage and

whether the damage was due to any of the acts specifically enumerated above or from any other thing or circumstance, whether of a like nature or of a wholly different nature.

9.2 Damage Caused by Tenant's Neglect. If any damage to the Premises, or any equipment or appurtenance thereon, results from any act or neglect of Tenant, its employees, agents, contractors, licensees or invitees, Tenant shall be liable therefor, and Landlord may at its option repair such damage, and Tenant shall upon demand by Landlord reimburse Landlord for all costs of repairing such damage in excess of amounts, if any, paid to Landlord under insurance covering such damage.

9.3 Tenant Responsible for Personal Property. All personal property belonging to Tenant shall be there at the risk of Tenant, and Landlord shall not be liable for damage thereto or theft or misappropriation thereof.

9.4 Indemnification. To the extent not expressly prohibited by law, Tenant agrees to hold Landlord and its members, if any, and their respective agents, servants and employees (collectively, "Landlord Indemnified Parties"), harmless and to indemnify each of them against claims and liabilities, including reasonable attorneys' fees, for injuries to all persons and damage to or theft or misappropriation or loss of property occurring in or about the Premises arising from Tenant's occupancy of the Premises or the conduct of its business or from any activity, work or thing done, permitted or suffered by Tenant in or about the Premises or from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease, or due to any other act or omission of Tenant, its agents, contractors, invitees, licensees or employees, but only to the extent of Landlord's liability, if any, in excess of amounts, if any, paid to Landlord under insurance covering such claims or liabilities. Tenant's obligation to indemnify Landlord hereunder shall include the duty to defend against any claims asserted by reason of any such claims or liabilities and to pay any judgments, settlements, costs, fees and expenses, including attorneys' fees, incurred in connection therewith.

ARTICLE 10 SUBROGATION AND INSURANCE

10.1 Waiver of Subrogation. Landlord and Tenant agree to have all fire and extended coverage and other property damage insurance which may be carried by either of them endorsed with a clause providing that any release from liability of, or waiver of claim for, recovery from the other party entered into in writing by the insured thereunder prior to any loss or damage shall not affect the validity of said policy or the right of the insured to recover thereunder and providing further that the insurer waives all rights of subrogation which such insurer might have against the other party. Without limiting any release or waiver of liability or recovery set forth elsewhere in this Lease, and notwithstanding anything in this Lease which may appear to be to the contrary, each of the parties hereto waives all claims for recovery from the other party for any loss or damage to any of its property insured under valid and collectible insurance policies to the extent of any recovery collectible under such insurance policies. Notwithstanding the foregoing or anything contained in this Lease to the contrary, any release or any waiver of claims shall not be operative, nor shall the foregoing endorsements be required, in any case where the effect of such release or waiver is to invalidate insurance coverage or invalidate the right of the insured to recover thereunder or to increase the cost thereof (provided that in the case of increased cost the other party shall have the right, within ten (10) days following written notice, to pay such increased cost keeping such release or waiver in full force and effect).

10.2 Tenant's Insurance. Tenant shall procure and maintain policies of insurance, at its sole cost and expense, during the entire Term with the following coverages insuring:

10.2.1 all improvements at any time situated upon the Premises and owned by Landlord against loss or damage by fire, lightning, windstorm, hailstorm, aircraft, vehicles, smoke, explosion, riot or civil commotion; provided, however, Tenant shall not procure insurance for flood or earthquake loss or damage. The insurance coverage shall be for not less than one hundred percent (100%) of the full replacement cost of such improvements (without deduction for depreciation) with agreed amount endorsement. Landlord shall be named as the insured and all proceeds of insurance shall be payable to Landlord. The full replacement cost of improvements shall be designated annually by Tenant in the good faith exercise of Tenant's judgment.

10.2.2 Tenant and Landlord from all claims, demands or actions made by, or on behalf of, any person or persons, firm or corporation and arising from, related to or connected with the Premises, for injury to or death of any person in an amount of not less than One Million Dollars (\$1,000,000), for injury to or death of more than one person in any one occurrence in an amount of not less than One Million Dollars (\$1,000,000), and for damage to property in an amount of not less than One Million Dollars (\$1,000,000), with an overall aggregate of Two Million Dollars (\$2,000,000).

10.2.3 Insurance against loss or damage from explosion or breakdown of boilers, air conditioning equipment and miscellaneous electrical apparatus, if any, in the Premises, in an amount not less than One Hundred Thousand Dollars (\$100,000), with loss or damage payable to Landlord and Tenant as their interests may appear.

10.2.4 Insurance against all worker's compensation claims with respect to Tenant's employees, if any.

10.2.5 All contents, and Tenant's trade fixtures, machinery, equipment, furniture and furnishings, in the Premises to the extent of at least ninety percent (90%) of their replacement cost under standard fire and extended coverage insurance, including, without limitation, vandalism and malicious mischief and sprinkler leakage endorsements.

10.2.6 Insurance in Landlord's name against abatement or loss of rent in case of fire or other casualty in an amount at least equal to the Rent to be paid by Tenant during the one (1) year next ensuing as reasonably determined by Landlord.

10.2.7 The aforesaid insurance shall be issued by companies and be in form and substance satisfactory to Landlord, and shall name Landlord and Landlord Indemnified Parties as an additional insureds on the policies described above in subsections 10.2.2, 10.2.4, and 10.2.5. Policies in subsection 10.2.1 shall be payable to Landlord and policies in subsections 10.2.3 and 10.2.6 to Landlord and Tenant as their interest may appear. Tenant may substitute lower limits for any policy listed above, provided that Tenant maintains umbrella or excess liability policy or policies which provide at total minimum limit of \$2,000,000 for automobile liability and commercial general liability and that all other requirements of this Section are satisfied by such umbrella or excess policy or policies. Any deductibles or self-insured retentions must be declared to and approved by Landlord. If the commercial general liability insurance is written on a "claims made" basis, the policy and all certificates of insurance as required hereunder shall show the retroactive coverage date. If the retroactive coverage date is after the Commencement Date and if Tenant was previously insured under a claims made policy, then Tenant shall also be required to furnish a certificate of insurance indicating that Tenant has purchased an extended reporting period or "supplemental tail" endorsement under the previous policy to extend the period during which a claim may first be made. If subsequent "claims-made" policies contain a "retroactive date" after the termination of this Lease, or if Tenant shall replace a "claims made" policy with an "occurrence" policy, Tenant shall

purchase the “extended reporting period” or “supplemental tail” endorsement under the last “claims-made” policy covering the Term. Each insurance policy required under this Lease shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits, except after thirty (30) days prior written notice by certified mail, return receipt requested has been given to Landlord. The original insurance policies (or certificates thereof satisfactory to Landlord), together with evidence of payment of the premium thereon, shall be deposited with Landlord prior to the Commencement Date. The certificates are to be signed by a person authorized by the insurer to bind coverage on its behalf. Such policies shall stipulate that the insurance afforded Landlord and Landlord’s Indemnified Parties shall be primary insurance and that any other insurance carried by these parties shall be excess only and will not contribute with Tenant’s insurance. These policies shall contain the usual cross liability language indicating that, except for limits of liability, the policies shall operate as though separate policies were issued to each insured.

10.3 Compliance. Tenant shall not, directly or indirectly, make any use of the Premises which may thereby be prohibited or be dangerous to person or property or which may jeopardize any insurance coverage, increase the cost of such insurance or require additional insurance coverage.

ARTICLE 11 RETURN OF PREMISES; SURRENDER

11.1 Surrender of Possession. At the termination of this Lease by lapse of time or otherwise or upon termination of Tenant’s right of possession without termination of this Lease, Tenant shall surrender possession of the Premises to Landlord and deliver all keys to the Premises to Landlord and make known to Landlord the combination of all locks of vaults then remaining in the Premises, and shall, subject to the following Section, return the Premises and all equipment and fixtures of Landlord therein to Landlord in as good condition as when Tenant originally took possession or, if a workletter is attached to this Lease, when the work provided for in the workletter is completed, ordinary wear, loss or damage by fire or other insured casualty, condemnation and damage resulting from the act of Landlord or its employees and agents excepted, failing which Landlord may restore the Premises and such equipment and fixtures to such condition and Tenant shall pay the cost thereof to Landlord on demand.

11.2 Installations and Additions. All installations, additions, partitions, hardware, light fixtures, nontrade fixtures and improvements, (which shall only be made or installed in accordance with Section 8.3), temporary or permanent, except movable furniture, trade fixtures and equipment belonging to Tenant or Subtenant, in or upon the Premises, whether placed there by Tenant or Subtenant, shall be Landlord’s property and shall remain upon the Premises, all without compensation, allowance or credit to Tenant or Subtenant, except as may be otherwise provided under any Sublease entered into and existing as of the Commencement Date.

11.3 Trade Fixtures and Personal Property. Tenant shall remove Tenant’s furniture, machinery, safes, trade fixtures and other items of movable personal property of every kind and description from the Premises and restore any damage to the Premises caused thereby, such removal and restoration to be performed prior to the end of the Term or ten (10) days following termination of this Lease or Tenant’s right of possession, whichever might be earlier. If Tenant fails to remove such items, Landlord may do so and thereupon the provisions of Section 11.5 shall apply, and Tenant shall pay to Landlord upon demand the cost of removal and of restoring the Premises.

11.4 Survival. All obligations of Tenant under this Article shall survive the expiration of the Term or sooner termination of this Lease.

11.5 Holdover. Tenant shall pay Landlord for each day Tenant retains possession of the Premises or any part thereof after termination of this Lease, by lapse of time or otherwise, or of Tenant's right to possession of the Premises, an amount which is double the amount of Rent for a day based on the annual rate of Rent provided for in Article 4 for the period in which such possession occurs, calculated as though such period were within the Term, and Tenant shall also pay all damages, consequential as well as direct, sustained by Landlord by reason of such retention. In the alternative, if Landlord gives written notice to Tenant of Landlord's election thereof, such holding over shall constitute a renewal of this Lease for one year at the annual rate which would have held in effect for such additional year if the Term had included such additional year. Acceptance by Landlord of Rent after such termination shall not of itself constitute a renewal.

ARTICLE 12 ASSIGNMENT AND SUBLETTING

12.1 Assignment. Tenant shall not, (i) assign or transfer this Lease or any interest under it; or (ii) permit the use or occupancy of the Premises or any part thereof for any purpose not provided for under Sections 6.1 or 12.2 of this Lease or by anyone other than Tenant and Tenant's employees.

12.2 Permitted Subleases and Encumbrance of Tenant's Interest. Notwithstanding anything to the contrary contained herein, without Landlord's consent, Tenant may from time to time (i) encumber its interest in this Lease in connection with the financing of the Premises (and the foreclosure of any such encumbrance shall be a permitted transfer hereunder), and (ii) sublease all or any portion of the Premises without Landlord's consent, provided each sublease conforms to the specifications set forth herein, including but not limited to an express limitation of the tenant's ability to make alterations, additions and improvements, except for those described in clauses (i) and (ii) of Section 8.3.

12.3 Rentals Based on Net Income. Without thereby limiting the generality of the foregoing provisions of this Article, Tenant expressly covenants and agrees not to enter into any lease, sublease or license, concession or other agreement for use, occupancy or utilization of the Premises which provides for rental or other payment for such use, occupancy or utilization based in whole or in part on the net income or profits derived by any person from the property leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales), and that any such purported lease, sublease or license, concession or other agreement shall be absolutely void and ineffective as a conveyance of any right to or interest in the possession, use, occupancy or utilization of any part of the Premises.

12.4 Tenant to Remain Obligated. Any assignment or transfer by Tenant shall not operate to relieve Tenant from any covenant or obligation hereunder. Tenant shall pay all of Landlord's costs, charges and expenses, including attorneys' fees, incurred in connection with any assignment or transfer made or requested by Tenant.

ARTICLE 13 DAMAGE OR DESTRUCTION BY CASUALTY

13.1 Notice. If during the Term all or any part of the Premises shall be damaged or destroyed by fire or other casualty, Tenant shall promptly give notice thereof to Landlord.

13.2 Casualty Restoration Process.

13.2.1 If during the Term all or any part of the Premises shall be damaged or destroyed by any fire or other casualty, this Lease shall continue in full force and effect. Any insurance proceeds

received by Landlord on account of such damage or destruction, less the actual cost, fees and expenses, if any, incurred in connection with adjustment of the loss, shall, provided no default by Tenant or Event of Default shall have occurred and be continuing hereunder, be used by Landlord to cause the repair, restoration or replacement of any portion of the Premises so damaged or destroyed as nearly as possible to its value, condition and character immediately prior to such damage or destruction and to pay contractors, subcontractors, materialmen, engineers, architects or other persons who have rendered services or furnished materials for said repairs, restorations or replacements (hereinafter collectively, the "Casualty Restoration"), and shall be paid out from time to time as the Casualty Restoration progresses. If the rental income from the tenants at the Premises is reduced or abated during such period, then Annual Base Rent under this Lease shall also be reduced or abated in a corresponding manner.

13.2.2 If the insurance proceeds received by Landlord are applied to the cost of the Casualty Restoration and the insurance proceeds shall, at any time, be insufficient to pay the cost of the Casualty Restoration, Landlord shall use the Reserve Account (as defined below) to make up the deficiency. In the event the Reserve Account is insufficient to make up the deficiency, Landlord shall be required to make up any remaining deficiency. If such net insurance proceeds shall exceed the cost of the Casualty Restoration, then, in such event, Landlord, shall retain the excess.

13.3 Failure to Restore. If Landlord fails to diligently pursue to completion the Casualty Restoration of any portion of the Premises damaged or destroyed by fire or other casualty as provided in Section 13.2 above, then, in such event, Tenant shall have the right, but not the obligation, to perform such Casualty Restoration on behalf of Landlord and at Landlord's expense. Tenant shall have the right to use the Reserve Account in connection with any such Casualty Restoration performed by Tenant on behalf of Landlord.

13.4 Termination of Lease. Notwithstanding the foregoing provisions of this Section, in the event all or a material portion of the Premises is damaged or destroyed by fire or other casualty, following which Landlord elects not to reconstruct the Premises, then this Lease automatically shall terminate and neither party shall have any further obligations hereunder.

13.5 Continuation of Lease and Adjustment of Annual Base Rent. Notwithstanding the foregoing provisions of this Section, in the event that not all or a non-material portion of the Premises are damaged or destroyed by fire or other casualty and it is economically feasible to continue to operate the Premises, then this Lease shall continue in full force and effect, however, Landlord and Tenant shall adjust the Annual Base Rent in an equitable fashion to reflect the economic effect of any such loss of a portion of the Premises.

ARTICLE 14 EMINENT DOMAIN

14.1 Partial Taking. If during the Term all or any part of the Premises shall be subject to a "Taking," which shall mean any taking of the Premises or a part thereof, in or by condemnation or other eminent domain proceeding, this Lease shall continue in full force and effect. Tenant hereby assigns to Landlord any award, payment or compensation to which it may be or become entitled during the Term by reason of a Taking whether the same shall be paid or payable in respect of Tenant's leasehold interest hereunder or otherwise. Provided no default by Tenant or Event of Default shall have occurred and be continuing hereunder, Landlord shall be obligated to cause the repair, restoration or rebuilding of any part of the Premises remaining after such Taking, including payment of all contractors, subcontractors, materialmen, engineers, architects or other persons who render services or furnish materials for said repairs, restorations or rebuilding (hereinafter collectively, the "Condemnation Restoration"). The Condemnation Restoration shall be performed by Landlord so as to restore the Premises, as nearly as possible, to its value, condition and character

immediately prior to such Taking. Any award, payment or compensation paid or assigned to Landlord on account of said Taking, less the actual costs, fees and expenses, if any, incurred in connection with obtaining the award, shall be used by Landlord to perform the Condemnation Restoration.

14.1.2 If the award, payment or compensation received by Landlord as the result of a Taking are applied to the cost of the Condemnation Restoration and said award, payment or compensation shall, at any time, be insufficient to pay the cost of the Condemnation Restoration, Landlord shall use the Reserve Account to make up the deficiency. Should the award, payment or compensation, together with the Reserve Account, be insufficient to pay the cost of the Condemnation Restoration, then Landlord shall be required to make up any remaining deficiency. If such award, payment or compensation shall exceed the cost of the Condemnation Restoration, then, in such event, Landlord shall retain the excess.

14.1.3 If Landlord fails to diligently pursue to completion the Condemnation Restoration of any portion of the Premises affected by any Taking as provided in this Section, then, in such event, Tenant shall have the right, but not the obligation, to perform such Condemnation Restoration on behalf of Landlord and at Landlord's expense. Tenant shall have the right to use the Reserve Account in connection with any such Condemnation Restoration performed by Tenant on behalf of Landlord.

14.1.4 Landlord shall be entitled to participate in any Taking proceeding at Landlord's cost and expense.

14.2 Permanent Taking.

14.2.1 If during the Term (i) there is a permanent Taking of all of the Premises, or (ii) there is a permanent taking of less than all of the Premises but it is impractical to rebuild the Premises and/or continue to operate the Premises as a retail building substantially similar to the Premises as it exists upon the date of this Lease, then this Lease automatically shall terminate, and neither party shall have any further obligations hereunder.

14.2.2 If during the Term (i) there is a permanent Taking of less than all of the Premises and it is economically feasible to rebuild the Premises and/or continue to operate the Premises as a retail building substantially similar to the Premises as it exists upon the date of this Lease, or (ii) the use or occupancy of any part, or all, of the Premises shall be temporarily requisitioned by any federal government, or any state or other political subdivision thereof, or any agency, court or body of the federal government, any state or other political subdivision thereof, exercising executive, legislative, judicial, regulatory or administrative functions (hereinafter collectively called "Governmental Authority"), then this Lease shall continue in full force and effect, however, (A) Landlord shall proceed to perform any necessary repairs, restoration or replacement, and (B) Landlord and Tenant shall adjust the Annual Base Rent in an equitable fashion to reflect the economic effect of any such Taking or temporary requisition.

ARTICLE 15 ESTOPPEL

15.1 Estoppel Certificate. Tenant agrees that, from time to time upon not less than ten (10) days' prior request by Landlord, Tenant (or any permitted assignee, subtenant, licensee, concessionaire or other occupant of the Premises claiming by, through or under Tenant) will deliver to Landlord, a statement in writing signed by Tenant certifying (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease as modified is in full force and effect and identifying the modifications); (ii) the date upon which Tenant began paying Rent and the dates to which the Rent and other charges have been paid; (iii) that Landlord has not breached any provision of this Lease, or, if breach exists, the nature thereof in detail; (iv) that the

Premises have been completed in accordance with the terms hereof and Tenant is in occupancy and paying Rent on a current basis with no rental offsets or claims; (v) that there has been no prepayment of Rent other than that provided for in this Lease; (vi) that there are no actions, whether voluntary or otherwise, pending against Tenant under the bankruptcy laws of the United States or any state thereof; and (vii) such other matters as may be required by Landlord.

ARTICLE 16
ENVIRONMENTAL LAWS AND HAZARDOUS MATERIALS

16.1 Defined Terms.

16.1.1 “Claim” shall mean and include any demand, cause of action, proceeding, or suit for any one or more of the following: (i) actual or punitive damages, losses, injuries to person or property, damages to natural resources, fines, penalties, interest, contribution or settlement; (ii) the costs and expenses of site investigations, feasibility studies, information requests, health or risk assessments, or Response (as hereinafter defined) actions; and (iii) the costs and expenses of enforcing insurance, contribution or indemnification agreements.

16.1.2 “Environmental Laws” shall mean and include all federal, state and local statutes, ordinances, regulations and rules in effect and as amended from time to time relating to environmental quality, health, safety, contamination and cleanup, including, without limitation, the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq., and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act (“FIFRA”), 7 U.S.C. Section 136 et seq.; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C. Section 1401 et seq.; the National Environmental Policy Act, 42 U.S.C. Section 4321 et seq.; the Noise Control Act, 42 U.S.C. Section 4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. Section 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. Section 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act, and the Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act (“TSCA”), 15 U.S.C. Section 2601 et seq.; the Atomic Energy Act, 42 U.S.C. Section 2011 et seq., and the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et seq., and state and local superlien and environmental statutes and ordinances, with implementing regulations, rules and guidelines, as any of the foregoing may be amended from time to time. Environmental Laws shall also include all state, regional, county, municipal, and other local laws, regulations, and ordinances insofar as they are equivalent or similar to the federal laws recited above or purport to regulate Hazardous Materials (as hereinafter defined).

16.1.3 “Hazardous Materials” shall mean and include the following, including mixtures thereof: any hazardous substance, pollutant, contaminant, waste, by-product or constituent regulated under CERCLA; oil and petroleum products and natural gas, natural gas liquids, liquefied natural gas and synthetic gas usable for fuel; pesticides regulated under FIFRA; asbestos and asbestos-containing materials, PCBs, and other substances regulated under TSCA; source material, special nuclear material, by-product material and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Policy Act; chemicals subject to the OSHA Hazard Communication Standard, 29 C.F.R. § 1910.1200 et seq.; and industrial process and pollution control wastes whether or not hazardous within the meaning of RCRA, and any other hazardous substance, pollutant or contaminant regulated under any other Environmental Law.

16.1.4 “Manage” or “Management” means to generate, manufacture, process, treat, store, use, re-use, refine, recycle, reclaim, blend or burn for energy recovery, incinerate, accumulate speculatively, transport, transfer, dispose of or abandon Hazardous Materials.

16.1.5 “Release” or “Released” shall mean any actual or threatened spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of Hazardous Materials into the environment, as “environment” is defined in CERCLA.

16.1.6 “Response” or “Respond” shall mean action taken to correct, remove, remediate, clean up, prevent, mitigate, monitor, evaluate, investigate, assess or abate the Release of a Hazardous Material.

16.2 Tenant’s Obligations with Respect to Environmental Matters. During the Term, without limiting Tenant’s obligation to comply with Legal Requirements, (i) Tenant shall comply at its sole cost and expense with all Environmental Laws; (ii) Tenant shall not Manage, or authorize the Management of, any Hazardous Materials on the Premises, including installation of any underground storage tanks, without prior written disclosure to and prior written approval by Landlord, except, however, that Tenant may Manage Hazardous Materials on the Premises to the extent incidental to or generated by Tenant’s business operations at the Premises as permitted in ARTICLE 6 (“Permitted Hazardous Materials”), as long as Tenant does not store or use any of the Permitted Hazardous Materials in a manner that would cause the Premises to become subject to regulation as a hazardous waste treatment, storage, or disposal facility under RCRA (or the regulations promulgated thereunder); (iii) Tenant shall not take any action that would subject the Premises to the permit requirements under RCRA for storage, treatment or disposal of Hazardous Materials; (iv) Tenant shall not dispose of Hazardous Materials in dumpsters provided by Landlord for tenant use; (v) Tenant shall not discharge Hazardous Materials into drains or sewers serving the Premises; (vi) Tenant shall not cause or allow the Release of any Hazardous Materials on, to or from the Premises or surrounding land and (vii) Tenant shall arrange at its sole cost and expense for the lawful transportation and off-site disposal at permitted landfills or other permitted disposal facilities and otherwise in accordance with all applicable Environmental Laws, of all Hazardous Materials that it generates.

16.3 Copies of Notices. During the Term, Tenant shall provide Landlord promptly with copies of all summons, citations, directives, information inquiries or requests, notices of potential responsibility, notices of violation or deficiency, orders or decrees, Claims, complaints, investigations, judgments, letters, notices of environmental liens or Response actions in progress, and other communications, written or oral, actual or threatened, from the United States Environmental Protection Agency, Occupational Safety and Health Administration, Illinois Environmental Protection Agency, or other federal, state, or local agency or authority, or any other entity or individual, concerning (i) any actual or alleged Release of a Hazardous Material on, to or from the Premises; (ii) the imposition of any lien on the Premises; (iii) any actual or alleged violation of, or responsibility under, any Environmental Laws; or (iv) any actual or alleged liability under any theory of common law tort or toxic tort, including without limitation, negligence, trespass, nuisance, strict liability, or ultrahazardous activity.

16.4 Tenant’s Obligation to Respond. If Tenant’s management of Hazardous Materials at the Premises (i) gives rise to liability or to a Claim under any Environmental Law, or any common law theory of tort or otherwise; (ii) causes a threat to, or endangers, the public health; or (iii) creates a nuisance or trespass, Tenant shall, at its sole cost and expense, promptly take all applicable action in response so as to comply with all applicable Environmental Laws and eliminate or avoid any liability claim with respect thereto.

16.5 Landlord's Right to Act. In the event that Tenant shall fail to comply with any of its obligations under this ARTICLE 16 as and when required hereunder, Landlord shall have the right (but not the obligation) to take such action as is required to be taken by Tenant hereunder and in such event, Tenant shall be liable and responsible to Landlord for all costs, expenses, liabilities, claims and other obligations paid, suffered, or incurred by landlord in connection with such matters. Tenant shall reimburse Landlord immediately upon demand for all such amounts for which Tenant is liable.

16.6 Indemnification. Notwithstanding anything contained in this Lease to the contrary, Tenant shall reimburse, defend, indemnify and hold Landlord and its beneficiaries, and any lender and their respective officers, directors, shareholders, employees, and agents, free and harmless from and against any and all Claims, Response costs, losses, liabilities, damages, costs, and expenses, including, without limitation, loss of rental income, loss due to business interruption, and reasonable attorneys' fees and costs, arising out of or in any way connected with any or all of the following:

16.6.1 any Hazardous Materials which, at any time during the Term, are or were actually or allegedly Managed, generated, stored, treated, released, disposed of or otherwise located on or at the Premises (regardless of the location at which such Hazardous Material are now or may in the future be located or disposed of), including but not limited to, any and all (1) liabilities under any common law theory of tort, nuisance, strict liability, ultrahazardous activity, negligence or otherwise based upon, resulting from or in connection with any Hazardous Material; (2) obligations to take Response, cleanup or corrective action pursuant to any investigation or remediation in connection with the decontamination, removal, transportation, incineration, or disposal of any of the foregoing; and

16.6.2 any actual or alleged illness, disability, injury, or death of any person; in any manner arising out of or allegedly arisen out of exposure to Hazardous Materials or other substances or conditions present at the Premises, regardless of when any such illness, disability, injury, or death shall have occurred or been incurred or manifested itself;

16.6.3 any actual or alleged failure of tenant or the Premises at any time and from time to time to comply with all applicable Environmental Laws, whether before or after the effective date of this Lease; and

16.6.4 any failure by tenant to comply with its obligations under this Article.

In the event any Claims or other assertion of liability shall be made against Landlord for which Landlord is entitled to indemnity hereunder, Landlord shall notify Tenant of such Claim or assertion of liability and thereupon Tenant shall, at its sole cost and expense, assume the defense of such Claim or assertion of liability and continue such defense at all times thereafter until completion. The obligations of Tenant under this Article shall survive any termination or expiration of this Lease.

ARTICLE 17 DEFAULT

17.1 Events of Default. The occurrence of any one or more of the following matters constitutes a default ("Default") by Tenant under this Lease:

17.1.1 failure by Tenant to pay any Rent on the due date thereof;

17.1.2 failure by Tenant to pay, within 10 days after notice of failure to pay on the due date from Landlord to Tenant, any other moneys required to be paid by Tenant under this Lease;

17.1.3 failure by Tenant to observe or perform any of the covenants in respect of assignment and subletting set forth in ARTICLE 12;

17.1.4 failure by Tenant to comply with Tenant's warranties, representations and covenants set forth in ARTICLE 16;

17.1.5 failure by Tenant to cure forthwith, immediately after receipt of notice from Landlord, any hazardous condition which Tenant has created in violation of law or of this Lease;

17.1.6 failure by Tenant to observe or perform any other covenant, agreement, condition or provision of this Lease, if such failure shall continue for thirty (30) days after notice thereof from Landlord to Tenant;

17.1.7 the levy upon under writ of execution or the attachment by legal process of the leasehold interest of Tenant, or the filing or creation of a lien in respect of such leasehold interest, which lien shall not be released or discharged within ten (10) days from the date of such filing;

17.1.8 Tenant vacates or abandons the Premises or fails to take possession of the Premises when available for occupancy (the transfer of a substantial part of the operations, business and personnel of Tenant to some other location being deemed, without limiting the meaning of the phrase "vacates or abandons," to be a vacation or abandonment within the meaning of this clause), whether or not Tenant thereafter continues to pay the Rent due under this Lease;

17.1.9 Tenant becomes insolvent or bankrupt, or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, or applies for or consents to the appointment of a trustee or receiver for Tenant or for the major part of its property;

17.1.10 a trustee or receiver is appointed for Tenant or for the major part of its property and is not discharged within sixty (60) days after such appointment; or

17.1.11 bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted (i) by Tenant or (ii) against Tenant and are allowed against it or are consented to by it or are not dismissed within sixty (60) days after such institution.

17.2 Rights and Remedies of Landlord. If a Default occurs, Landlord shall have the rights and remedies hereinafter set forth, which shall be distinct, separate and cumulative and shall not operate to exclude or deprive Landlord of any other right or remedy allowed it by law:

17.2.1 Landlord may terminate this Lease by giving to Tenant notice of Landlord's election to do so, in which event the Term shall end, and all right, title and interest of Tenant hereunder shall expire on the date stated in such notice;

17.2.2 Landlord may terminate the right of Tenant to possession of the Premises without terminating this Lease by giving notice to Tenant that Tenant's right of possession shall end on the date stated in such notice, whereupon the right of Tenant to possession of the Premises or any part thereof shall cease on the date stated in such notice; and

17.2.3 Landlord may enforce the provisions of this Lease and may enforce and protect the rights of Landlord hereunder by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained herein, or for the enforcement of any other appropriate legal or equitable

remedy, including recovery of all moneys due or to become due from Tenant under any of the provisions of this Lease.

17.3 Right to Re-Enter. If Landlord exercises any of the remedies provided for in Section 17.2, Tenant shall surrender possession and vacate the Premises and immediately deliver possession thereof to Landlord, and Landlord may re-enter and take complete and peaceful possession of the Premises, with or without process of law, full and complete license so to do being hereby granted to Landlord, and Landlord may remove all occupants and property therefrom, using such force as may be necessary, without being deemed in any manner guilty of trespass, eviction or forcible entry and detainer and without relinquishing Landlord's right to Rent or any other right given to Landlord hereunder or by operation of law.

17.4 Current Damages. If Landlord terminates the right of Tenant to possession of the Premises without terminating this Lease, Landlord shall have the right to immediate recovery of all amounts then due hereunder. Such termination of possession shall not release Tenant, in whole or in part, from Tenant's obligation to pay the Rent hereunder for the full Term, and Landlord shall have the right, from time to time, to recover from Tenant, and Tenant shall remain liable for, all Rent and any other sums accruing as they become due under this Lease during the period from the date of such notice of termination of possession to the stated end of the Term. In any such case Landlord may relet the Premises or any part thereof for the account of Tenant for such rent, for such time (which may be for a term extending beyond the Term) and upon such terms as Landlord shall determine and collect the rents from such reletting. Landlord shall not be required to accept any tenant offered by Tenant or to observe any instructions given by Tenant relative to such reletting. Also, in any such case, Landlord may make repairs, alterations and additions in or to the Premises and redecorate the same to the extent deemed by Landlord necessary or desirable and, in connection therewith, change the locks to the Premises, and Tenant shall upon demand pay the cost of all the foregoing together with Landlord's expenses of reletting. The rents from any such reletting shall be applied first to the payment of the expenses of reentry, redecoration, repair and alterations and the expenses of reletting (including brokers' commissions and attorneys' fees), and second to the payment of Rent herein provided to be paid by Tenant. Any excess or residue shall operate only as an offsetting credit against the amount of Rent due and owing as the same thereafter becomes due and payable hereunder, and the use of such offsetting credit to reduce the amount of Rent due Landlord, if any, shall not be deemed to give Tenant any right, title or interest in or to such excess or residue, and any such excess or residue shall belong to Landlord solely, and in no event shall Tenant be entitled to a credit on its indebtedness to Landlord in excess of the aggregate sum (including Rent) which would have been paid by Tenant for the period for which the credit to Tenant is being determined, had no Default occurred. No such reentry or repossession, repairs, alterations and additions, or reletting shall be construed as an eviction or ouster of Tenant or as an election on Landlord's part to terminate this Lease, unless a written notice of such intention shall be given to Tenant, or shall operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, and Landlord may, at any time and from time to time, sue and recover judgment for any deficiencies from time to time remaining after the application from time to time of the proceeds of any such reletting.

17.5 Final Damages. If this Lease is terminated by Landlord, Landlord shall be entitled to recover from Tenant all Rent accrued and unpaid for the period up to and including such termination date, as well as all other additional sums payable by Tenant or for which Tenant is liable or in respect of which Tenant has agreed to indemnify Landlord under any of the provisions of this Lease, which may be then owing and unpaid, and all costs and expenses, including court costs and attorneys' fees, incurred by Landlord in the enforcement of its rights and remedies hereunder, and, in addition, Landlord shall be entitled to recover as damages for loss of the bargain and not as a penalty: (a) the unamortized portion of Landlord's contribution to the cost of tenant improvements

and alterations, if any, installed by either Landlord or Tenant pursuant to this Lease or any workletter; (b) the aggregate sum which at the time of such termination represents the excess, if any, of the present value of the aggregate rents which would have been payable after the termination date had this Lease not been terminated, including, without limitation, Rent at the annual rate or respective annual rates for the remainder of the Term provided for in ARTICLE 4 of this Lease or elsewhere herein, the amount projected by Landlord to represent Consumer Price Index (“CPI”) Adjustments (pursuant to a CPI index selected by Landlord) for the remainder of the Term pursuant to ARTICLE 4 of this Lease over the then-present value of the then-aggregate fair rental value of the Premises for the balance of the Term, such present worth to be computed in each case on the basis of a five percent (5%) per annum discount from the respective dates upon which such rentals would have been payable hereunder had this Lease not been terminated; and (c) any damages in addition thereto, including reasonable attorneys’ fees and court costs, which Landlord shall have sustained by reason of the breach of any of the covenants of this Lease other than for the payment of Rent.

17.6 Removal of Personal Property. All property of Tenant removed from the Premises by Landlord pursuant to any provisions of this Lease or of law may be handled, removed or stored by Landlord at the cost and expense of Tenant, and Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. Tenant shall pay Landlord for all expenses incurred by Landlord in such removal and storage charges against such property so long as the same shall be in Landlord’s possession or under Landlord’s control. All such property not removed from the Premises or retaken from storage by Tenant within thirty (30) days after the end of the Term, however terminated be conclusively deemed to have been conveyed by Tenant to Landlord as by bill of sale without further payment or credit by Landlord to Tenant.

17.7 Attorneys’ Fees. Tenant shall pay all of Landlord’s costs, charges and expenses, including court costs and attorneys’ fees, incurred in enforcing Tenant’s obligations under this Lease, incurred by Landlord in any action brought by Tenant in which Landlord is the prevailing party, or incurred by Landlord in any litigation, negotiation or transaction in which Tenant causes Landlord, without Landlord’s fault, to become involved or concerned.

17.8 Assumption or Rejection in Bankruptcy. If Tenant shall be adjudged bankrupt or if a trustee-in-bankruptcy shall be appointed for Tenant, Landlord and Tenant agree, to the extent permitted by law, to request that the trustee in bankruptcy shall determine within sixty (60) days thereafter whether to assume or reject this Lease.

ARTICLE 18
RIGHTS PROVIDED TO TENANT WITH RESPECT TO
TRANSACTIONS AFFECTING THE PREMISES

18.1 Right to Execute Documents on Behalf of Landlord. Landlord hereby irrevocably appoints and constitutes Tenant as Landlord’s agent and attorney-in-fact during the term of this Lease for purposes (and only the purposes) of executing any and all documents required to enter into and complete a transaction that has been approved by Landlord (to the extent required hereunder) and to take any other actions with respect to the Premises that Tenant is authorized to take on behalf of Landlord hereunder; provided, however, that this Section 18.1 shall not apply to any transaction involving a substitution or disposition of one or more of the underlying property comprising the Premises pursuant to the terms of the applicable Sublease and the Landlord’s organizational documents. If requested by Tenant, Landlord will execute any and all documents necessary or required in connection with such transaction, including any documentation required to confirm the power of attorney granted to Tenant hereunder.

ARTICLE 19
MISCELLANEOUS

19.1 Successors and Assigns. Each provision of this Lease shall extend to and shall bind and inure to the benefit not only of Landlord and Tenant, but also their respective heirs, legal representatives, successors and assigns, but this provision shall not operate to permit any transfer, assignment, mortgage, encumbrance, lien, charge or subletting contrary to the provisions of this Lease.

19.2 Brokers. Tenant represents that Tenant has dealt with no broker, finder, leasing agent or other person in connection with this Lease, and Tenant agrees to indemnify and hold Landlord harmless from all damages, liability and expense (including reasonable attorneys' fees) arising from any claims or demands of any other broker or brokers or finders for any commission alleged to be due such broker or brokers or finders in connection with its having introduced Tenant to the Premises or participating in the negotiation with Tenant of this Lease.

19.3 Modifications in Writing. No modification, waiver or amendment of this Lease or of any of its conditions or provisions shall be binding unless in writing signed by or on behalf of Landlord and Tenant.

19.4 Definition of Tenant; Delegation by Tenant to Subtenants. The word "Tenant" whenever used herein shall be construed to mean Tenants or any one or more of them in all cases where there is more than one Tenant; and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other organizations, partnerships or other entities, or individuals, shall in all cases be assumed as though in each case fully expressed herein. In all cases where there is more than one Tenant, the liability of each shall be joint and several. In addition, the parties hereto acknowledge and agree that Tenant may assign its rights and obligations under this Master Lease Agreement to the Subtenants.

19.5 Definition of Landlord. The term "Landlord" as used in this Lease means only the owner or owners at the time being of the Premises so that in the event of any assignment, conveyance or sale, once or successively, of said Premises, or any assignment of this Lease by Landlord, said Landlord making such sale, conveyance or assignment shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder accruing after such sale, conveyance or assignment, and Tenant agrees to look solely to such purchaser, grantee or assignee with respect thereto. This Lease shall not be affected by any such assignment, conveyance or sale, and Tenant agrees to attorn to the purchaser, grantee or assignee.

19.6 Headings. The headings of Articles and Sections are for convenience only and do not limit, expand or construe the contents of the Sections.

19.7 Time of Essence. Time is of the essence of this Lease and of all provisions hereof.

19.8 Default Rate of Interest. All amounts (including, without limitation, Rent) owed by Tenant to Landlord pursuant to any provision of this Lease shall bear interest from the date due until paid at the annual rate of three percent (3%) in excess of the rate of interest announced from time to time by Wells Fargo, or its successors, as its prime, reference or corporate base rate, changing as and when said prime rate changes, unless a lesser rate shall then be the maximum rate permissible by law with respect thereto, in which event said lesser rate shall be charged.

19.9 Severability. The invalidity of any provision of this Lease shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Lease.

19.10 Entire Agreement. All understandings and agreements, oral or written, heretofore made between the parties hereto are merged in this Lease, which alone fully and completely expresses the agreement between Landlord (and its beneficiary, if any, and their agents) and Tenant.

19.11 Force Majeure. If Landlord fails to timely perform any of the terms, covenants and conditions of this Lease on Landlord's part to be performed and such failure is due in whole or in part to any strike, lockout, labor trouble, civil disorder, inability to procure materials, failure of power, restrictive governmental laws and regulations, riots, insurrections, war, fuel shortages, accidents, casualties, acts of God, acts caused directly or indirectly by Tenant (or Tenant's agents, employees, contractors, licensees or invitees) or any other cause beyond the reasonable control of Landlord, then Landlord shall not be deemed in default under this Lease as a result of such failure and any time for performance by Landlord provided for herein shall be extended by the period of delay resulting from such cause.

19.12 Waiver of Trial by Jury. It is mutually agreed by and between Landlord and Tenant that the respective parties hereto shall, and they hereby do, waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use of or occupancy of the Premises or any claim of injury or damage and any emergency statutory or any other statutory remedy. If Landlord commences any summary proceeding for nonpayment of Rent, Tenant will not interpose any counterclaim of whatever nature or description in any such proceeding, but may pursue a separate action therefor.

19.13 Nonwaiver. No waiver of any condition expressed in this Lease shall be implied by any neglect of Landlord to enforce any remedy on account of the violation of such condition whether or not such violation be continued or repeated subsequently, and no express waiver shall affect any condition other than the one specified in such waiver and that one only for the time and in the manner specifically stated. Without limiting Landlord's rights under ARTICLE 11, it is agreed that no receipt of moneys by Landlord from Tenant after the termination in any way of the Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Term or affect any notice given to Tenant prior to the receipt of such moneys. It is also agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any moneys due, and the payment of said moneys shall not waive or affect said notice, suit or judgment.

19.14 Notices. All notices and demands required or desired to be given by either party to the other with respect to this Lease or the Premises shall be in writing and shall be delivered personally, sent by overnight courier service, prepaid, or sent by United States registered or certified mail, return receipt requested, postage prepaid, and addressed as herein provided. Notices to or demands upon Tenant shall be addressed to Tenant at the address specified in Section 1.1 prior to its occupancy of the Premises and at the Premises following its occupancy of the Premises. Notices to or demands upon Landlord shall be addressed to Landlord at the address specified in Section 1.1. Notices and demands shall be deemed given and served (i) upon receipt or refusal, if delivered personally, (ii) one (1) business day after deposit with an overnight courier service, or (iii) upon receipt or refusal, if deposited in the United States mails. Facsimile transmission shall not be deemed effective service of notice under this Lease. Either party may change its address for receipt of notices by giving notice of such change to the other party in accordance herewith. Notices and demands from Landlord to Tenant may be signed by Landlord, its beneficiary, the managing agent for the Premises or the agent of any of them.

19.15 Title and Covenant Against Liens. Landlord's title is and always shall be paramount to the title of Tenant. Nothing in this Lease contained shall empower Tenant to do any act which can,

shall or may encumber the title of Landlord. Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen to be placed upon or against the Premises or against Tenant's leasehold interest in the Premises and, in case of any such lien attaching, to immediately pay and remove same. Except as provided in Section 12.2, Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon the Premises and any and all liens and encumbrances created by Tenant shall attach only to Tenant's interest in the Premises. If any such liens so attach and Tenant fails to pay and remove same within ten (10) days, Landlord, at its election, may pay and satisfy the same, and in such event the sums so paid by Landlord shall accrue with interest from the date of payment at the rate set forth in Section 19.8 for amounts owed Landlord by Tenant. Such sums shall be deemed to be additional rent due and payable by Tenant at once without notice or demand.

19.16 Exculpatory Provisions. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of Landlord while in form purporting to be the representations, warranties, covenants, undertakings and agreements of Landlord are nevertheless each and every one of them made and intended, not as personal representations, warranties, covenants, undertakings and agreements by Landlord or for the purpose or with the intention of binding Landlord personally, but are made and intended for the purpose only of subjecting Landlord's interest in the Premises to the terms of this Lease and for no other purpose whatsoever, and in case of default hereunder by Landlord (or default through, under or by any of its beneficiaries, or agents or representatives of said beneficiaries) and that Tenant shall look solely to the interests of Landlord in the Premises.

19.18 Disposition of Premises. In the event that the entire Premises are sold, transferred, merged or exchanged pursuant to Section 721 of the Code with respect to the Premises (collectively, a "**Disposition**") by Landlord to a third party, this Lease shall terminate.

19.19 Limitation on Tenant's Duties and Obligations. Notwithstanding anything to the contrary contained in this Lease, all duties and obligations of Tenant under this Lease shall be subject to the following modifications, as needed:

(a) all duties and obligations of Tenant under this Lease shall be strictly limited to, and shall not exceed in any manner, the duties and obligations imposed upon the Subtenants under the Subleases, including but not limited to, the duties and obligations provided under Articles 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17 and Section 1.7 of this Lease.

19.21 Reserve Account. The Landlord will reserve \$779,659 to be used for future repairs and replacements at the Premises and operational and asset management costs incurred in the course of managing the Premises and the portfolio, including unreimbursed tax and insurance payments, and bank, accounting, tax, and filing fees incurred by Master Lessee on behalf of the Landlord (the "**Reserve Account**").

19.22 Transfer Distribution. Notwithstanding any other provisions herein, in the event of a Transfer Distribution (as defined in Section 9.2 of the Trust Agreement of Landlord), the parties hereto expressly acknowledge and agree that Landlord shall assign its interest in this Lease to the LLC (as defined in Section 9.2 of the Trust Agreement of Landlord). Unless otherwise provided to Tenant in writing by the LLC, this Lease shall not terminate upon such assignment.

19.23 Governing Law. This Lease shall be construed and enforced in accordance with the laws of the State of Delaware without regard to any applicable conflicts of laws principles that would

require the application of the law of any other jurisdiction and venue with respect to any action to construe or enforce this Lease shall be laid in the State where the Premises is located.

19.24 Tax Matters. Landlord and Tenant hereby acknowledge and agree that (i) for all Federal, state and local income tax purposes (A) Landlord shall be treated as the owner, and Tenant as the tenant, of the Premises, and (B) this Lease shall be treated as a true lease and not as a financing, partnership or other tax classification and (ii) it shall file all Federal, state and local income tax returns in a manner consistent with the foregoing.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the date first written above.

LANDLORD:

ExchangeRight Net-Leased All-Cash 18 DST,
a Delaware statutory trust

By: EXCHANGERIGHT ASSET MANAGEMENT, LLC,
a California limited liability company; its manager

By: Warren Thomas
Name: Warren Thomas
Title: Manager

GREGORY HARRISON
as Trustee

Gregory S. Harrison
Gregory Harrison, Trustee

TENANT:

EXCHANGERIGHT NET-LEASED ALL-CASH 18 MASTER LESSEE, LLC,
a Delaware limited liability company

By: ExchangeRight Real Estate, LLC,
a California limited liability company

By: Warren Thomas
Warren Thomas, Manager

EXHIBIT A

PROPERTY INFORMATION AND LEGAL DESCRIPTIONS

BioLife Plasma Services - Kissimmee (Osceola), FL

Parcel 1:

Lot 3A, Gateway Commons North-Replat of Lot 3, according to the plat thereof, as recorded in [Plat Book 21, Page 96](#), of the Public Records of Osceola County, Florida.

Parcel 2:

Together with nonexclusive easement(s) as set forth in the Easements with Covenants and Restrictions Affecting Land recorded March 1, 2000 in Official Records [Book 1708, Page 1706](#), as affected by First Amendment to Easements with Covenants and Restrictions Affecting Land recorded in Official Records [Book 3497, Page 1044](#) all of the Public Records of Osceola County, Florida.

BioLife Plasma Services - Kyle (Seton), TX

Tract 1:

Lot 2, AMENDING PLAT OF THE REPLAT OF LOT 1B, BLOCK A, OF THE SCC BUNTON CREEK SUBDIVISION, REPLAT OF LOT 6A, BLOCK "A", a subdivision in Hays County, Texas, according to the map or plat thereof recorded in Document No. 17011827, Plat Records of Hays County, Texas.

For reference only: Property Address: 906 Seton Parkway, Kyle, Hays County, Texas. Parcel ID R151917

Tract 2:

Non-exclusive easements created by that certain Declaration of Reciprocal Easement Agreement and Covenants, Conditions and Restrictions, recorded in Volume 3260, Page 768, Official Public Records of Hays County, Texas, being further affected and/or amended by Volume 3465, Page 220, Volume 4408, Page 680, and Volume 4631, Page 683, Official Public Records of Hays County, Texas.

Tract 3:

Non-exclusive easements created by that certain Easements with Covenants and Restrictions Affecting Land, recorded in Volume 4408, Page 721, Official Public Records of Hays County, Texas.

BioLife Plasma Services - Mobile (Airport), AL

TRACT 1 (FEE):

Lot 1, Resubdivision of Lots 1, 3 and 2A, Wesley Station, according to the plat thereof recorded in [Instrument #2019019186](#) of the records in the Office of the Judge of Probate of Mobile County, Alabama.

TRACT 2 (EASEMENT):

Together with any benefiting easements created by Declaration of Common Drive Easement dated June 24, 2011 and recorded in real property [Book 6790, Page 741](#) and amended by Amendment to Common Drive Easement dated March 28, 2019 and recorded in [Instrument #2019016335](#), in the Office of the Judge of Probate of Mobile County, Alabama.

Tractor Supply - Caledonia (Cherry Valley), MI

Parcel 1:

That part of the Northwest 1/4 of Section 33, Town 5 North, Range 10 West, Caledonia Township, Kent County, Michigan, described as: Beginning at the West 1/4 corner of said Section; thence North 00 degrees 00 minutes 00 seconds West, 500.00 feet along the West line of said Northwest 1/4; thence North 89 degrees 57 minutes 16 seconds East, 459.80 feet parallel with the South line of said Northwest 1/4; thence South 00 degrees 02 minutes 26 seconds East, 500.00 feet to the South line of said Northwest 1/4; thence South 89 degrees 57 minutes 16 seconds West, 460.15 feet along said South line to the Point of beginning.

Parcel 2:

Non-Exclusive Easement for ingress and egress, as created, limited, and defined in that certain Private Road Easement Agreement, recorded January 26, 2023 in Instrument No. 202301260004794, Kent County Records.

Tractor Supply - Rome (Shorter), GA

All that tract or parcel of land lying or being in Land Lot 157, 14th District, Floyd County, Georgia, and being more particularly described as follows:

Commencing at a point at the Southwesterly intersection of the Northerly right-of-way line of Alabama Highway (GA SR #20) (Variable R/W) and the Northwesterly right-of-way line of Beech Creek Drive (50' R/W), said point having State Plane Coordinate Values of Northing:1,555,479.99; Easting:1,968,855.45; Georgia West Zone; thence along said Northerly right-of-way line of Alabama Highway a distance of 896.23 feet to a 5/8-inch rebar set with cap, said point having State Plane Coordinate Values of Northing:1,555,295.37; Easting:1,968,018.74; Georgia West Zone, and the Point of Beginning; thence along the Northerly right-of-way of Alabama Highway (GA SR #20) (Variable R/W), South 77 degrees 33 minutes 53 seconds West for a distance of 200.00 feet to a 5/8-inch rebar set with cap; thence continuing along the same curving to the right, said curve having an arc length of 424.76 feet with a radius of 3361.65 feet, being subtended by a chord bearing of South 80 degrees 32 minutes 07 seconds West a distance of 424.48 feet to a 5/8-inch rebar set with cap; thence leaving said Northerly right-of-way, North 04 degrees 41 minutes 41 seconds East for a distance of 76.03 feet to a 1/2-inch open top pipe found; thence South 84 degrees 12 minutes 47 seconds East for a distance of 52.50 feet to a 5/8-inch rebar set with cap; thence North 03 degrees 55 minutes 42 seconds East for a distance of 210.00 feet to a 1-1/2-inch open top pipe found; thence North 85 degrees 55 minutes 46 seconds West for a distance of 104.57 feet to a 1" crimp top pipe found; thence North 04 degrees 03 minutes 51 seconds East for a distance of 209.92 feet to a 1/2-inch open top pipe found; thence South 78 degrees 56 minutes 56 seconds East for a distance of 582.29 feet to a 5/8-inch rebar found; thence South 12 degrees 14 minutes 41 seconds East for a distance of 278.66 feet to a 5/8-inch rebar set with cap, said point being the Point of Beginning.

Said tract of land contains 5.028 acres.

Tractor Supply - Stockbridge (SM 52), MI

Parcel 1:

Part of the Northwest 1/4 of Section 35, Town 1 North, Range 2 East, Village Of Stockbridge, Ingham County, Michigan, described as: Commencing at the Northwest corner of said section; thence South 89 degrees 39 minutes 22 seconds East, 871.71 feet along the North line of said section to the Point of Beginning; thence continuing South 89 degrees 39 minutes 22 seconds East, 296.14 feet along said North line; thence South 00 degrees 35 minutes 14 seconds East, 309.52 feet; thence South 89 degrees 41 minutes 35 seconds East, 150.93 feet; thence South 00 degrees 35 minutes 39 seconds East, 199.17 feet along the West 1/8 line of said section (as monumented); thence North 89 degrees 39 minutes 21 seconds West, 455.01 feet; thence North 00 degrees 18 minutes 16 seconds East, 508.52 feet to the Point of Beginning.

Parcel 2: (Easement Parcel)

Non-Exclusive Easement for access, ingress and egress, as created, limited, and defined in that certain Joint Access Easement and Maintenance Agreement, recorded September 13, 2005 in Liber 3183, Page 576, and as amended by First Amendment to Joint Access Easement and Maintenance Agreement recorded October 18, 2023 in Instrument No. 2023-040614, Ingham County Records.

EXHIBIT B

ASSIGNED LEASES

Property Name	Full Address	Lessee
Kissimmee (Osceola), FL	1301 East Osceola Parkway, Kissimmee, FL 34744	BioLife Plasma Services, L.P.
Kyle (Seton), TX	906 Seton Parkway, Kyle, TX 78640	BioLife Plasma Services, L.P.
Mobile (Airport), AL	6105 Airport Boulevard, Mobile, AL 36608	BioLife Plasma Services, L.P.
Caledonia (Cherry Valley), MI	10300 Cherry Valley Avenue SE, Caledonia, MI 49316	Tractor Supply Co. of Michigan, LLC
Rome (Shorter), GA	2850 Shorter Avenue NW, Rome, GA 30165	Tractor Supply Company
Stockbridge (SM 52), MI	4569 SM 52, Stockbridge, MI 49285	Tractor Supply Co. of Michigan, LLC

EXHIBIT C

ANNUAL BASE RENT

The Annual Base Rent for each year of the Master Lease shall be as follows:

Year 1	\$2,855,290
Year 2	\$2,872,474
Year 3	\$2,889,829
Year 4	\$2,907,359
Year 5	\$2,936,039
Year 6	\$3,000,790
Year 7	\$3,018,850
Year 8	\$3,037,091
Year 9	\$3,055,515
Year 10	\$3,085,647
Year 11	\$3,153,654
Year 12	\$3,172,636
Year 13	\$3,191,807
Year 14	\$3,211,171
Year 15	\$3,242,827
Year 16	\$3,314,253
Year 17	\$3,334,203
Year 18	\$3,354,353
Year 19	\$3,374,704
Year 20	\$3,407,963

EXHIBIT D

GUARANTY AGREEMENT

GUARANTY

THIS GUARANTY (“**Guaranty**”) is made as of October 31, 2025 (the “**Effective Date**”) in favor of ExchangeRight Net-Leased All-Cash 18 DST, a Delaware statutory trust (the “**Trust**”) by ExchangeRight Income Fund Operating Partnership, LP, a Delaware limited partnership (“**Guarantor**”), with reference to the following facts:

RECITALS

A. The Trust is offering (the “**Offering**”) for sale of up to \$52,785,000 in beneficial ownership interests (“**Interests**”) in connection with the following portfolio of six properties located at (i) 1301 East Osceola Parkway, Kissimmee, Florida 34744; (ii) 906 Seton Parkway, Kyle, Texas 78640; (iii) 6105 Airport Boulevard, Mobile, Alabama 36608; (iv) 10300 Cherry Valley Avenue SE, Caledonia, Michigan 49316; (v) 2850 Shorter Avenue NW, Rome, Georgia 30165; and (vi) 4569 SM 52, Stockbridge, Michigan 49285 (collectively, the “**Properties**”) pursuant to that certain Confidential Private Placement Memorandum dated on or before the date of this Guaranty (as may be amended or supplemented, the “**Memorandum**”). The sponsor of the Offering is ExchangeRight Real Estate, LLC, a California limited liability company (the “**Sponsor**”).

B. The Trust and ExchangeRight Net-Leased All-Cash 18 Master Lessee, LLC, a Delaware limited liability company (“**Master Lessee**”), which is wholly owned by the Sponsor, entered into that certain Master Lease Agreement dated on or prior to Effective Date (the “**Master Lease**”), pursuant to which the Trust assigned to the Master Lessee all rights and obligations under the leases to which the Properties are currently subject and the Master Lessee shall pay the Annual Base Rent (as defined in the Master Lease) to the Trust.

C. Guarantor agrees to guaranty for the benefit of the Trust, and its successors and assigns, all obligations and liabilities of Master Lessee with respect to the Master Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound hereby, Guarantor hereby agrees as follows:

ARTICLE 1 **DEFINED TERMS**

1.01. Defined Terms. Capitalized terms used in this Guaranty and not specifically defined in this Guaranty have the meaning provided in the Master Lease.

ARTICLE 2 **OBLIGATION GUARANTEED**

2.01. Guaranty of Master Lease Obligations. Guarantor irrevocably and unconditionally, guarantees to the Trust the prompt payment when due or otherwise, of all obligations and liabilities of the Master Lessee under the Master Lease (“**Guaranteed Obligations**”).

2.02. Continuing Obligation. This Guaranty is a continuing guaranty and remains in full force and effect and will be discharged only if and when the Master Lease has been terminated and all obligations of the Master Lessee under the Master Lease have been fully performed; provided, however, that notwithstanding any of the foregoing to the contrary, this Guaranty shall remain in full force and effect for so long as any payment hereunder may be voided in bankruptcy proceedings as a preference or for any other reason.

ARTICLE 3 **GENERAL TERMS AND CONDITIONS**

3.01. Payments; Interest on Amounts Payable Hereunder. Amounts payable to the Trust under this Guaranty shall be immediately due and payable on the Trust’s written demand and shall be paid without reduction

by set-off, defense, counterclaim or cross-claim. Interest shall accrue at a fixed interest rate of ten percent (10%) per annum (the “**Default Rate**”) on any amounts due and unpaid under this Guaranty.

3.02. Enforcement Costs. Guarantor hereby agrees to pay, on written demand by the Trust, all reasonable and documented costs actually incurred by the Trust in collecting any amount payable under this Guaranty or enforcing or protecting its rights under the Guaranty, provided that such costs are necessary and directly related to such enforcement or protection efforts in each case whether or not legal proceedings are commenced. Such costs may include, without limitation, reasonable fees for attorneys, paralegals and other hired professionals, court fees, costs incurred in connection with pre-trial, trial and appellate level proceedings (including discovery and expert witnesses), costs incurred in post-judgment collection efforts or in any bankruptcy proceeding. Guarantor shall not be responsible for costs that are excessive, unnecessary, or not reasonably incurred. Any amounts due under this Section 3.02 shall be payable within ten (10) business days of written demand and shall bear interest at the lesser of (i) the Default Rate or (ii) the maximum interest rate permitted by applicable law from the date of disbursement until paid in full.

3.03. Unimpaired Liability. Guarantor acknowledges and agrees that all obligations hereunder are and shall be absolute and unconditional under any and all circumstances without regard to the validity, regularity or enforceability of the Master Lease or the existence of any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor or surety.

3.04. Waivers. Guarantor hereby waives and relinquishes, to the fullest extent permitted by law, provided that nothing in this Section 3.04 shall be construed to limit any defenses that cannot be waived as a matter of law: (a) all rights or claims of right to cause a marshalling of assets or to cause the Trust to proceed against any of the collateral for the Master Lease before proceeding under this Guaranty against it; (b) all rights and remedies accorded by applicable law to sureties or guarantors, except any rights of subrogation and contribution (the exercise of which are subject to the terms of this Guaranty); (c) the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought by or against it; (d) notice of acceptance of this Guaranty and of any action taken or omitted in reliance hereon; (e) presentment for payment, demand, protest, notice of nonpayment or failure to perform or observe, or any other proof, notice or demand, except where such notice is expressly required by this Guaranty or under applicable law; and (f) all homestead or exemption rights against the obligations hereunder and the benefits of any statutes of limitation or repose that would shorten the period for enforcement, except as expressly provided by applicable law.

3.05. Guarantor Bound by Judgment Against Master Lessee. Guarantor agrees that it shall be bound conclusively, in any jurisdiction, by the judgment in any action by the Trust against the Master Lessee in connection with the Master Lease (wherever instituted) as if Guarantor were a party to such action even if not so joined as a party.

ARTICLE 4 **REPRESENTATIONS AND WARRANTIES**

4.01. Guarantor Due Diligence and Benefit. Guarantor represents and warrants to the Trust that the Master Lease and this Guaranty are for commercial purposes and it has had adequate opportunity to review the Master Lease.

4.02. General. Guarantor represents and warrants that:

(a) Authority. Guarantor has the full power and authority to execute and deliver this Guaranty and to perform its obligations hereunder. Guarantor is duly organized, validly existing and in good standing under the laws of the state of its formation, and the execution, delivery and performance of this Guaranty by Guarantor has been duly and validly authorized and the person(s) signing this Guaranty on Guarantor’s behalf has been validly authorized and directed to sign this Guaranty.

(b) Valid and Binding Obligation. This Guaranty constitutes Guarantor’s legal, valid and binding obligation, enforceable against it in accordance with its terms, except to the extent enforceability may be

limited under applicable bankruptcy and insolvency laws and similar laws affecting creditors' rights generally and to general principles of equity.

(c) No Conflict with Other Agreement. Guarantor's execution, delivery and performance of this Guaranty will not (i) violate Guarantor's organizational documents, (ii) result in the breach of, or conflict with, or result in the acceleration of, any obligation under any guaranty, indenture, credit facility or other instrument to which Guarantor or any of its assets may be subject, or (iii) violate any order, judgment or decree to which Guarantor or any of its assets is subject.

(d) No Pending Litigation. No action, suit, proceeding or investigation, judicial, administrative or otherwise (including without limitation any reorganization, bankruptcy, insolvency or similar proceeding), currently is pending or, to the best of Guarantor's knowledge, threatened against Guarantor which, either in any one instance or in the aggregate, may have a material, adverse effect on Guarantor's ability to perform its obligations under this Guaranty.

(e) Consideration. Guarantor will derive substantial benefit from the Master Lease.

ARTICLE 5 **MISCELLANEOUS**

5.01. Notices. All notices and other communications under this Guaranty are to be in writing and addressed in the case of the Trust to the address as set forth below and in the case of Guarantor, as set forth below Guarantor's signature hereto. Default or demand notices shall be deemed to have been duly given upon the earlier of: (a) actual receipt; (b) one (1) business day after having been timely deposited for overnight delivery, fee prepaid, with a reputable overnight courier service, having a reliable tracking system; (c) one (1) business day after having been sent by electronic email provided an additional notice is given pursuant to (b); or (d) three (3) business days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by certified mail, postage prepaid, return receipt requested, and in the case of clause (b) and (d) irrespective of whether delivery is accepted. A new address for notice may be established by written notice to the other parties; provided, however, that no address change will be effective until written notice thereof actually is received by the party to whom such address change is sent. The Trust's notice address is as follows:

1055 E. Colorado Blvd., Suite 310
Pasadena, CA 91106

5.02. Entire Agreement; Modification. This Guaranty is the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes and replaces all prior discussions, representations, communications and agreements (oral or written). This Guaranty shall not be modified, supplemented, or terminated, nor any provision hereof waived, except by a written instrument signed by the party against whom enforcement thereof is sought, and then only to the extent expressly set forth in such writing.

5.03. Binding Effect; Joint and Several Obligations. This Guaranty is binding upon and inures to the benefit of Guarantor, the Trust and their respective heirs, executors, legal representatives, successors, and assigns, whether by voluntary action of the parties or by operation of law. Guarantor may not delegate or transfer its obligations under this Guaranty.

5.04. Unenforceable Provisions. Any provision of this Guaranty which is determined by a court of competent jurisdiction or government body to be invalid, unenforceable or illegal shall be ineffective only to the extent of such determination and shall not affect the validity, enforceability or legality of any other provision, nor shall such determination apply in any circumstance or to any party not controlled by such determination.

5.05. Counterparts. This Guaranty may be executed in any number of multiple counterparts, each of which shall be deemed to be an original copy and all of which shall constitute one agreement, binding on all parties hereto. This Guaranty and any other document executed in connection herewith may be signed and the signatures

transmitted by facsimile or electronic 'pdf' and any such faxed or electronic copy shall be treated and considered as a binding signed original of the subject document for all purposes.

5.06. Construction of Certain Terms. Defined terms used in this Guaranty may be used interchangeably in singular or plural form, and pronouns shall be construed to cover all genders. Article and section headings are for convenience only and shall not be used in interpretation of this Guaranty. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Guaranty as a whole and not to any particular section, paragraph or other subdivision; and the word "section" refers to the entire section and not to any particular subsection, paragraph or other subdivision; and "Guaranty" and the Master Lease referred to herein mean the agreements as originally executed and as hereafter modified, supplemented, extended, consolidated, or restated from time to time.

5.07. Governing Law. This Guaranty shall be interpreted and enforced according to the laws of Delaware (excluding any choice of law rules that may direct the application of the laws of another jurisdiction).

5.08. Consent to Jurisdiction. Each Guarantor irrevocably consents and submits to the exclusive jurisdiction and venue of any state or federal court sitting in Los Angeles, California with respect to any legal action arising with respect to this Guaranty and waives all objections which it may have to such jurisdiction and venue.

IN WITNESS WHEREOF, the undersigned hereby signs, seals and delivers this Guaranty.

GUARANTOR:

ExchangeRight Income Fund Operating Partnership, LP,
a Delaware limited partnership

By: ExchangeRight Income Fund,
a Maryland statutory trust; its general partner

By: ExchangeRight Income Fund Trustee, LLC,
a Delaware limited liability company; its trustee

By: ExchangeRight Real Estate, LLC,
a California limited liability company; its manager

By: 
Warren Thomas, Manager

Address for notices:

1055 E. Colorado Blvd., Suite 310
Pasadena, CA 91106

EXHIBIT E
LLC AGREEMENT

LIMITED LIABILITY COMPANY AGREEMENT

OF

[____], LLC

TABLE OF CONTENTS

	Page
1. ORGANIZATION	1
1.1 Formation.....	1
1.2 Name and Place of Business	1
1.3 Business and Purpose of the Company	1
1.4 Term.....	2
1.5 Required Filings.....	2
1.6 Registered Office and Registered Agent.....	2
1.7 Certain Transactions	2
2. DEFINITIONS.....	2
3. CAPITALIZATION AND FINANCING	2
3.1 Members' Capital Contributions.....	3
3.1.1 Initial Member; Contribution of the Managing Member	2
3.1.2 Units	2
3.1.3 Liabilities of Members.....	2
3.2 Managing Member Loans	3
3.3 Company Loans	3
4. ALLOCATION OF TAX ITEMS.....	3
4.1 Allocation of Income and Loss	3
4.2 Allocation Among Class A Units.....	3
4.3 Allocation of Company Items	3
4.4 Assignment	4
4.5 Consent of Members	4
4.6 Withholding Obligations.....	4
5. DISTRIBUTIONS.....	4
5.1 Cash from Operations	4
5.2 Restrictions	4
6. COMPENSATION TO THE MANAGING MEMBER AND ITS AFFILIATES.....	5
6.1 Managing Member's and Affiliates' Compensation	5
6.2 Company Expenses.....	5
6.2.1 Operating Expenses	5
6.2.2 Managing Member Overhead	5
7. AUTHORITY AND RESPONSIBILITIES OF THE MANAGING MEMBER.....	5
7.1 Management.....	5
7.2 Number, Tenure and Qualifications	6
7.3 Managing Member Authority	6

TABLE OF CONTENTS
(continued)

	Page
7.4	Restrictions on Managing Member’s Authority..... 7
7.5	Responsibilities of the Managing Member 8
7.6	Administration of Company..... 9
7.7	Indemnification of Managing Member 9
7.8	No Personal Liability for Return of Capital 9
7.9	Authority as to Third Persons 10
7.10	Board of Director and Officers 10
7.10.1	Board of Directors 10
7.10.2	Intentionally Omitted..... 11
7.10.3	Officers 11
8.	RIGHTS, AUTHORITY AND VOTING OF THE MEMBERS 12
8.1	Members Are Not Agents 12
8.2	Voting by a Member 12
8.3	Member Vote; Consent of Managing Member; Deemed Approval and Consent by the Members 13
8.4	Meetings of the Members 13
8.4.1	Notice..... 13
8.4.2	Adjourned Meeting and Notice Thereof..... 13
8.4.3	Quorum..... 13
8.4.4	Consent of Absentees 13
8.4.5	Action Without Meeting..... 14
8.4.6	Record Dates..... 14
8.4.7	Proxies 14
8.4.8	Chairman of Meeting..... 14
8.4.9	Inspectors of Election 15
8.4.10	Record Date and Closing Company Books..... 15
8.5	Rights of Members..... 15
8.6	Restrictions on the Member 15
8.7	Return of Capital of Member 15
9.	INTENTIONALLY OMITTED..... 15
10.	RESIGNATION, WITHDRAWAL OR REMOVAL OF THE MANAGING MEMBER 15
10.1	Resignation or Withdrawal of Managing Member..... 15
10.2	Removal 16
10.3	Managing Member’s Fees..... 16
11.	ASSIGNMENT OF THE MANAGING MEMBER’S INTEREST 16
11.1	Permitted Assignments 16

TABLE OF CONTENTS
(continued)

		Page
11.2	Substitute Managing Member	16
11.3	Transfer in Violation Not Recognized	16
12.	ASSIGNMENT OF UNITS	17
12.1	Permitted Assignments	17
12.2	Substituted Member	17
	12.2.1 Conditions to be Satisfied	17
	12.2.2 Consent of Managing Member	18
	12.2.3 Consent of Member	18
12.3	Assignment of 50% or More of Units	18
12.4	Transfer Subject to Law	18
12.5	Termination of Membership Interest.....	18
13.	BOOKS, RECORDS, ACCOUNTING AND REPORTS.....	18
13.1	Records, Audits and Reports.....	18
13.2	Delivery to Members and Inspection	18
13.3	Annual Report.....	19
13.4	Tax Information	19
14.	TERMINATION AND DISSOLUTION OF THE COMPANY.....	19
14.1	Termination of Company	19
14.2	Certificate of Cancellation	19
14.3	Liquidation of Assets	20
14.4	Distributions Upon Dissolution.....	20
14.5	Limitation on Distributions	20
14.6	Waiver of Dissolution and Termination.....	20
15.	SPECIAL AND LIMITED POWER OF ATTORNEY	20
15.1	Power of Attorney.....	20
15.2	Provision of Power of Attorney	21
15.3	Notice to Members.....	21
16.	RELATIONSHIP OF THIS AGREEMENT TO THE ACT	21
17.	AMENDMENT OF AGREEMENT	21
17.1	Admission of Member	21
17.2	Amendments with Consent of Members.....	21
17.3	Amendments Without Consent of the Members	21
17.4	Execution and Recording of Amendments.....	22
18.	MEMBER REPRESENTATIONS.....	22
19.	MISCELLANEOUS.....	22
19.1	Counterparts.....	22

TABLE OF CONTENTS
(continued)

	Page
19.2 Successors and Assigns.....	22
19.3 Severability	22
19.4 Notices	22
19.5 Managing Member’s Address	22
19.6 Governing Law	22
19.7 Captions	23
19.8 Gender.....	23
19.9 Time.....	23
19.10 Additional Documents	23
19.11 Descriptions	23
19.12 Binding Arbitration	23
19.13 Venue.....	23
19.14 Partition.....	23
19.15 Integrated and Binding Agreement	23
19.16 Legal Counsel	23
19.17 Title to Company Property.....	23
19.18 Conflict	24
19.19 Signature of the Members	24

**LIMITED LIABILITY COMPANY AGREEMENT
OF
[____], LLC**

This Limited Liability Company Agreement, effective as of the Formation Date, is entered into by and between ExchangeRight Asset Management, LLC, a California limited liability company as Managing Member and ExchangeRight Net-Leased All-Cash 18 DST, a Delaware statutory trust as the Initial Member, pursuant to the Act on the following terms and conditions.

RECITALS

WHEREAS, the Trust was established to acquire and hold the Real Estate and sell Beneficial Interests in such Trust to the Beneficial Owners pursuant to that certain Private Placement Memorandum dated as of October 31, 2025 (the “Memorandum”);

WHEREAS, the Manager has determined that a conversion of the Trust Estate to the Company in exchange for all of the Company's Class A Units and a subsequent distribution of the Class A Units to the Beneficial Owners in exchange for, and in termination of, their Beneficial Interests should be made pursuant to Section 9.2 of the Trust Agreement in order to preserve and protect the Trust Estate;

WHEREAS, on the Formation Date, ExchangeRight Asset Management, LLC formed the Company;

WHEREAS, ExchangeRight Asset Management, LLC will contribute cash to the Company in exchange for one Class B Unit;

WHEREAS, in order to preserve and protect the Trust Estate, the Manager will cause the Trust to (i) contribute the Trust Estate to the Company in exchange for all of the Class A Units and (ii) immediately thereafter distribute all of the Class A Units to the Beneficial Owners (in the amounts reflected on Exhibit C attached hereto) in exchange for, and in termination of, their Beneficial Interests;

WHEREAS, the Managing Member will admit the Beneficial Owners as Members of the Company at the time of the Trust's distribution to the Beneficial Owners of the Class A Units and the interest of the Trust as Initial Member in the Company will become null and void; and

WHEREAS, immediately upon termination of the Beneficial Interests and the admission of the Owners as Members of the Company, the Trust will terminate;

NOW THEREFORE, ExchangeRight Asset Management, LLC as Managing Member and the Trust as the Initial Member agree that the Company shall be governed by and operated pursuant to the Act and the terms of this Agreement as hereinafter set forth.

1. Organization.

1.1 Formation. On the Formation Date, ExchangeRight Asset Management, LLC filed a Certificate of Formation with the office of the Division of Corporations of Delaware in accordance with and pursuant to the Act to form the Company.

1.2 Name and Place of Business. The name of the Company shall be [____], LLC. The Managing Member may change such name, change such place of business or establish additional places of business of the Company as the Managing Member may determine to be necessary or desirable.

1.3 Business and Purpose of the Company. The nature of the business and the purposes to be conducted and promoted by the Company are to engage solely in the following activities:

1.3.1 To own, hold, sell, assign, transfer, operate, lease, mortgage, pledge and otherwise deal with the Property.

1.3.2 To exercise all powers enumerated in the Act if necessary or convenient to the conduct, promotion or attainment of the business or purposes otherwise set forth herein.

1.3.3 Intentionally Omitted.

1.4 Term. The term of the Company shall terminate as provided in Section 14 of this Agreement.

1.5 Required Filings. The Managing Member shall execute, acknowledge, file, record and/or publish such certificates and documents, as may be required by this Agreement or by law in connection with the formation and operation of the Company.

1.6 Registered Office and Registered Agent. The Company's initial registered office and initial registered agent shall be as provided in the Certificate of Formation. The registered office and registered agent may be changed from time to time by the Managing Member by filing the address of the new registered office and/or the name of the new registered agent pursuant to the Act.

1.7 Certain Transactions. Any Member, or any Affiliate of a Member, or any shareholder, officer, director, employee, partner, member or any Person owning an interest therein, may engage in or possess an interest in any other business or venture of any nature or description, whether or not competitive with the Company including, but not limited to, the acquisition, syndication, ownership, financing, leasing, operation, maintenance, management, brokerage, construction and development of property similar to the Property that consists of real property and no Managing Member, Member or other Person or entity shall have any interest in such other business or venture by reason of their interest in the Company.

2. Definitions. Definitions for this Agreement are set forth on Exhibit A and are incorporated herein.

3. Capitalization and Financing.

3.1 Members' Capital Contributions.

3.1.1 Initial Member; Contribution of the Managing Member. The Trust, as the Initial Member, shall contribute the Trust Estate to the Company in exchange for all of the authorized Class A Units in the Company. The Trust shall then distribute the Class A Units to the Beneficial Owners in proportion to and in exchange for, and in termination of, their Beneficial Interests in the Trust. ExchangeRight Asset Management, LLC shall contribute the amount of cash reflected on Exhibit C attached hereto to the Company in exchange for the one Class B Unit authorized under this Agreement.

3.1.2 Units. The Company is hereby authorized to issue ten thousand (10,000) Class A Units which shall first be issued to the Initial Member and then be distributed to the Beneficial Owners as contemplated under Section 3.1.1 and to admit the Beneficial Owners as Members of the Company. In addition, the Company is hereby authorized to issue one (1) Class B Unit to ExchangeRight Asset Management, LLC. Upon distribution of the Class A Units to the Beneficial Owners, they shall automatically be admitted as Members and they shall be bound by this Agreement without further action on their part, in accordance with and as contemplated by Section 10.10 of the Trust Agreement.

3.1.3 Liabilities of Members. Except as specifically provided in this Agreement, neither the Managing Member nor any Member shall be required to make any additional contributions to the Company and no Managing Member or Member shall be liable for the debts, liabilities, contracts, or any other obligations of the Company, nor shall the Managing Member or the Members be required to lend any funds to the Company or to repay to the Company, any Member, or any creditor of the Company any portion of the capital contributed to the Company by the Members.

3.1.4 Certificates. The Managing Member may, in its sole discretion, determine to issue certificates to the Members representing the Membership Interests held by each Member. In the event that certificates representing Membership Interests are issued, such certificates will bear the following legends:

“THE SALE, PLEDGE, HYPOTHECATION, TRANSFER, ASSIGNMENT OR OTHER DISPOSITION OR ENCUMBRANCE OF THE MEMBERSHIP INTEREST REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO RESTRICTION PURSUANT TO THE LIMITED LIABILITY COMPANY AGREEMENT (THE “AGREEMENT”). THIS MEMBERSHIP INTEREST MAY NOT BE SOLD, PLEDGED, HYPOTHECATED, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF OR ENCUMBERED, EXCEPT IN STRICT ACCORDANCE WITH SUCH AGREEMENT. A TRANSFEREE OF THE MEMBERSHIP INTEREST REPRESENTED HEREBY SHALL BE BOUND BY THE AGREEMENT. COPIES OF THE AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE MANAGING MEMBER OF THE COMPANY.

THE MEMBERSHIP INTEREST REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE STATE SECURITIES LAWS OF ANY STATE. WITHOUT SUCH REGISTRATION, SUCH MEMBERSHIP INTEREST MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ENCUMBERED AT ANY TIME WHATSOEVER, EXCEPT UPON DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER AND/OR THE SUBMISSION TO THE COMPANY OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE COMPANY TO THE EFFECT THAT ANY SUCH TRANSFER WILL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, AND/OR APPLICABLE STATE SECURITIES LAWS AND/OR ANY RULE OR REGULATION PROMULGATED THEREUNDER.”

3.2 Managing Member Loans. The Managing Member or its Affiliates may, but will have no obligation to, make loans to the Company to pay expenses and other obligations of the Company. Any such loan shall bear interest at the actual cost of funds to the Managing Member and provide for the payment of principal and any accrued but unpaid interest in accordance with the terms of the promissory note evidencing such loan, but in no event later than division or dissolution of the Company.

3.3 Company Loans. The Company may obtain, in the sole and absolute discretion of the Managing Member, loans, including loans to refinance any real property owned by the Company.

4. Allocation of Tax Items.

4.1 Allocation of Income and Loss. For each fiscal year, the income and loss of the Company shall be allocated to the Members in proportion to their Class A Units. No income or loss of the Company shall be allocated to a Member as a result of its ownership of a Class B Unit.

4.2 Allocation Among Class A Units. Except as otherwise provided in this Agreement, all Distributions and allocations made to the Class A Units shall be in the ratio of the number of Class A Units held by each such Member on the date of such allocation (which allocation date shall be deemed to be the last day of each month) to the total outstanding Class A Units as of such date, and, except as otherwise provided in this Agreement without regard to the number of days during such month that the Class A Units were held by each Member.

4.3 Allocation of Company Items. Except as otherwise provided herein, whenever a proportionate part of income or loss is allocated to a Member, every item of income, gain, loss or deduction entering into the computation of such income or loss, and every item of credit or tax preference related to such allocation and applicable to the period during which such income or loss was realized, shall be allocated to the Member in the same proportion.

4.4 Assignment. In the event of the transfer, assignment, sale or other disposition of a Class A Unit, the income and loss shall be apportioned as between the Member and his or her assignee based upon the number of months of their respective ownership during the year in which the assignment occurs, without regard to the results of the Company's operations during the period before or after such assignment. Distributions shall be made to the holder of record of the Class A Units as of the date of the Distribution. An assignee that acquires Class A Units during the first 15 days of a month will receive any allocations relative to such month. An assignee that acquires Class A Units on or after the sixteenth day of a month will be treated as acquiring his or her Class A Units on the first day of the following month.

4.5 Consent of Members. The methods for allocating income and loss are hereby expressly consented to by each Member as a condition of becoming a Member. Each Member will cooperate with the Partnership Representative and do or refrain from doing any or all things reasonably requested by the Partnership Representative including as needed to comply with the Revised Partnership Audit Procedures.

4.6 Withholding Obligations.

4.6.1 If the Company is required (as determined in good faith by the Managing Member) to make a payment to discharge any legal obligation on the part of the Company or the Managing Member to make payments to any governmental authority with respect to any federal, foreign, state or local tax arising as a result of a Member's interest in the Company, (a "Tax Payment") then, notwithstanding any other provision of this Agreement to the contrary, the amount of any such Tax Payment shall be deemed to be a loan by the Company to such Member, which loan shall bear interest at the Prime Rate and be payable to the Company upon demand or by a reduction to any Distribution which otherwise would be made to such Member.

4.6.2 If and to the extent the Company is required to make any Tax Payment with respect to any Member, either (i) such Member's proportionate share of any Distribution subsequent the Tax Payment shall be reduced by the amount of such Tax Payment, or (ii) such Member shall pay to the Company prior to such Distribution an amount of cash equal to such Tax Payment. In the event any portion of a Distribution in kind is retained by the Company pursuant to clause (i) above, such retained property may, in the discretion of the Managing Member, either (A) be distributed to the other Members, or (B) be sold by the Company to generate the cash necessary to repay any deemed loan arising from such Tax Payment. If the property is sold, then only for purposes of the allocation of tax items under this Section 4, any gain or loss from such sale or exchange shall be allocated to the Member to whom the Tax Payment relates. If the property is sold at a gain, and the Company is required to make any Tax Payment as a result of such gain, the Member to whom the gain is allocated shall pay the Company, prior to the due date of such Tax Payment, an amount of cash equal to such Tax Payment.

4.6.3 The Managing Member shall be entitled to hold back any Distribution to any Member to the extent the Managing Member believes in good faith that a Tax Payment will be required with respect to such Member in the future and the Managing Member believes that there will not be sufficient subsequent Distributions to recover amounts paid pursuant to Section 4.6.2 with respect to such Tax Payment.

5. Distributions.

5.1 Distributable Cash. Except as provided in Section 5.2 and as otherwise provided in Section 14, Distributable Cash with respect to each calendar year shall be distributed to the Members in proportion to their Class A Units. No Distributable Cash shall be distributed to a Member as a result of its owning a Class B Unit.

5.2 Restrictions. The Company intends to make periodic distributions of substantially all cash determined by the Managing Member to be distributable, subject to the following: (i) Distributions may be restricted or suspended for periods when the Managing Member determines in its reasonable discretion that it is in the best interest of the Company; (ii) all Distributions are subject to the payment, and the maintenance of reasonable reserves for payment, of Company obligations; and (iii) all Distributions shall be paid only to the extent that all currently due operating expenses have been paid or otherwise provided for.

6. Compensation to the Managing Member and its Affiliates.

6.1 Managing Member's and Affiliates' Compensation. The Managing Member and its Affiliates shall be entitled to receive an administrative fee, a finance coordination fee (the Managing Member will be entitled to receive a finance coordination fee equal to 1% of the loan amount with respect to any loan for the Company, which amount shall be in addition to any payments to unrelated third-party brokers), real estate commissions, and other compensation for any service performed on behalf of the Company, including services performed in its capacity as Managing Member. Such fees shall not exceed the then customary rate for similar services. The Managing Member and its Affiliates shall also be entitled to receive leasing commissions, property management fees, and construction management fees, including in connection with renovation and remodeling, with respect to the operation of the Property, legal appearance fees, refinancing fees, and fees for protesting or appealing property tax assessments with respect to the Property, as long as such fees do not exceed the then customary rate for similar services. Such fees, commissions and other compensation shall be paid to the Managing Member and its Affiliates, as the case may be, before the payment to Members of Distributable Cash, if any.

6.2 Company Expenses.

6.2.1 Operating Expenses. Subject to the limitations set forth in Section 6.2.2, the Company shall pay directly, or reimburse the Managing Member as the case may be, for all of the costs and expenses of the Company's operations, including, without limitation, the following costs and expenses: (i) all Organization Expenses advanced or otherwise paid by the Managing Member; (ii) all costs of personnel employed by the Company and directly involved in the Company's business; (iii) all compensation due to the Managing Member or its Affiliates as provided in Section 6.1; (iv) all costs of personnel employed by the Managing Member or its Affiliates and directly involved in the business of the Company; (v) all costs of borrowed money, taxes and assessments on the Property and other taxes applicable to the Company; (vi) legal, accounting, audit, brokerage, and other fees; (vii) fees and expenses paid to independent contractors, mortgage bankers, real estate brokers, and other agents; (viii) costs of owning, developing, improving, operating, and disposing of the Property; (ix) expenses incurred in connection with the development, alteration, maintenance, repair, remodeling, refurbishment, leasing and operation of the Property; (x) all expenses incurred in connection with the maintenance of Company books and records, the preparation and dissemination of reports, tax returns or other information to the Members and the making of Distributions to the Members; (xi) expenses incurred in preparation and filing reports or other information with appropriate regulatory agencies; (xii) expenses of insurance as required in connection with the business of the Company, other than any insurance insuring the Managing Member against losses for which it is not entitled to be indemnified under Section 7.7; (xiii) costs incurred in connection with any litigation in which the Company may become involved, or any examination, investigation, or other proceedings conducted by any regulatory agency, including legal and accounting fees; (xiv) the actual costs of goods and materials used by or for the Company; (xv) the costs of services that could be performed directly for the Company by independent parties such as legal, accounting, secretarial or clerical, reporting, transfer agent, data processing and duplicating services but which are in fact performed by the Managing Member or its Affiliates, but not in excess of the lesser of: (a) the actual costs to the Managing Member or its Affiliates of providing such services; or (b) the amounts which the Company would otherwise be required to pay to independent parties for comparable services in the same geographic locale; (xvi) expenses of Company administration, accounting, documentation and reporting, (xvii) expenses of revising, amending, modifying, or terminating this Agreement; (xviii) all travel expenses incurred in connection with the Company's business, including travel to and from the Property; and (xix) all other costs and expenses incurred in connection with the business of the Company exclusive of those set forth in Section 6.2.2. All payments set forth herein shall be paid from any funds available after payment of, or other provision for, all other currently due operating expenses for the Property.

6.2.2 Managing Member Overhead. Except as set forth in this Section 6, the Managing Member and its Affiliates shall not be reimbursed for overhead expenses incurred in connection with the Company, including but not limited to rent, depreciation, utilities, capital equipment, or other administrative items.

7. Authority and Responsibilities of the Managing Member.

7.1 Management. The Managing Member shall manage the business and affairs of the Company under the direction of the Board of Directors. Except as otherwise set forth in this Agreement and the Certificate of

Formation, and to the maximum extent permitted by law, the Managing Member shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business, subject only to the direction of the Board of Directors.

7.2 Number, Tenure and Qualifications. The Company shall have one Managing Member, which shall be ExchangeRight Asset Management, LLC. The Managing Member shall hold office until such Managing Member is removed or withdraws or resigns.

7.3 Managing Member Authority. The Managing Member shall have all authority, rights and powers conferred by law (subject only to Section 7.1, Section 7.4 and Section 9 hereof and the Certificate of Formation) and those required or appropriate to the management of the Company's business, as limited by Section 1.3, which, by way of illustration but not by way of limitation, shall include the right, authority and power to cause the Company to:

7.3.1 Take all actions relating to the management of the Property;

7.3.2 Hold, develop, lease, rent, operate, sell, exchange, invest, re-invest, subdivide and otherwise dispose of the Property;

7.3.3 Borrow money, and, if security is required therefor, pledge or mortgage or subject the Property to any security device, obtain replacements of any mortgage or other security device and to prepay, in whole or in part, refinance, increase, modify, consolidate, or extend any mortgage or other security device. All of the foregoing shall be on such terms and in such amounts as the Managing Member, in its sole discretion, deems to be in the best interest of the Company;

7.3.4 Place record title to, or the right to use, Property in the name or names of a nominee or nominees for any purpose convenient or beneficial to the Company;

7.3.5 Enter into such contracts and agreements as the Managing Member determines to be reasonably necessary or appropriate in connection with the Company's business and purpose (including contracts with Affiliates of the Managing Member), and any contract of insurance that the Managing Member deems necessary or appropriate for the protection of the Company and the Managing Member, including errors and omissions insurance, for the conservation of Company assets, or for any purpose convenient or beneficial to the Company;

7.3.6 Employ persons, who may be Affiliates of the Managing Member, in the operation and management of the business of the Company;

7.3.7 Prepare or cause to be prepared reports, statements, and other relevant information for distribution to the Members;

7.3.8 Open accounts and deposit and maintain funds in the name of the Company in banks, savings and loan associations, "money market" mutual funds and other instruments as the Managing Member may deem in its discretion to be necessary or desirable;

7.3.9 Make or revoke any of the elections referred to in the Code (the Managing Member shall have no obligation to make any such elections);

7.3.10 Select as its accounting year a calendar or fiscal year as may be approved by the Internal Revenue Service (the Company initially intends to adopt the calendar year);

7.3.11 Determine the appropriate accounting method or methods to be used by the Company;

7.3.12 In addition to any amendments otherwise authorized herein, amend this Agreement without any action on the part of the Members by special or general power of attorney or otherwise to:

- (a) Add to the representations, duties, services or obligations of the Managing Member or its Affiliates, for the benefit of the Members;
- (b) Cure any ambiguity or mistake, correct or supplement any provision herein that may be inconsistent with any other provision herein, or make any other provision with respect to matters or questions arising under this Agreement that will not be inconsistent with the provisions of this Agreement;
- (c) Delete or add any provision of this Agreement required to be so deleted or added for the benefit of the Members by the staff of the Securities and Exchange Commission or by a state “Blue Sky” Commissioner or similar official;
- (d) Amend this Agreement to reflect the addition or substitution of Members;
- (e) Minimize the adverse impact of, or comply with, any final regulation of the United States Department of Labor, or other federal agency having jurisdiction, defining “plan assets” for ERISA purposes;
- (f) Reconstitute the Company under the laws of another state if beneficial;
- (g) Execute, acknowledge and deliver any and all instruments to effectuate the foregoing, including the execution, acknowledgment and delivery of any such instrument by the attorney-in-fact for the Managing Member under a special or limited power of attorney, and to take all such actions in connection therewith as the Managing Member shall deem necessary or appropriate with the signature of the Managing Member acting alone; and
- (h) Intentionally Omitted.

7.3.13 Require in any Company contract that the Managing Member shall not have any personal liability, but that the person or entity contracting with the Company is to look solely to the Company and its assets for satisfaction;

7.3.14 Lease personal property for use by the Company;

7.3.15 Establish reserves from income in such amounts as the Managing Member may deem appropriate;

7.3.16 Temporarily invest the proceeds from the sale of Units in short-term, highly-liquid investments;

7.3.17 Make secured or unsecured loans to the Company and receive interest at the rates set forth herein;

7.3.18 Redeem or repurchase Units on behalf of the Company;

7.3.19 Identify a successor Managing Member before the resignation, expulsion, division or dissolution of the Managing Member;

7.3.20 Enter into any partnership or venture.

7.4 Restrictions on Managing Member’s Authority. Subject to the balance of the terms of this Agreement and the Certificate of Formation, neither the Managing Member nor any Affiliates shall have authority, without a Super Majority Vote of the Units, to:

7.4.1 Enter into contracts with the Company that would bind the Company after the expulsion, withdrawal, Event of Insolvency, or other cessation to exist of the Managing Member, or to continue the business of the Company after the occurrence of such event;

7.4.2 Use or permit any other Person to use Company funds or assets in any manner except for the exclusive benefit of the Company;

7.4.3 Alter the primary purpose of the Company;

7.4.4 Except for the Real Estate, or an undivided interest therein, sell or lease to the Company any real property in which the Managing Member or any Affiliate has any interest;

7.4.5 Admit another Person or entity as the Managing Member, except with the consent of the Members as provided in this Agreement;

7.4.6 Reinvest Cash from Operations in any additional real property other than the Real Estate;

7.4.7 Enter into any agreement imposing personal liability on any Member; or

7.4.8 Commingle the Company funds with those of any other Person or entity, except for (i) the temporary deposit of funds in a bank checking account for the sole purpose of making Distributions immediately thereafter to the Members or (ii) funds attributable to the Property and held for use in the management of the operations of the Property.

7.5 Responsibilities of the Managing Member. The Managing Member shall:

7.5.1 Have a fiduciary responsibility for the safekeeping and use of all the funds and assets of the Company;

7.5.2 Devote such of its time and business efforts to the business of the Company as it shall in its discretion, exercised in good faith, determine to be necessary to conduct the business of the Company for the benefit of the Company and the Members;

7.5.3 File and publish all certificates, statements, or other instruments required by law for formation, qualification and operation of the Company and for the conduct of its business in all appropriate jurisdictions;

7.5.4 Cause the Company to be protected by public liability, property damage and other insurance determined by the Managing Member in its discretion to be appropriate to the business of the Company;

7.5.5 At all times use its best efforts to meet applicable requirements for the Company to be classified, for federal income tax purposes, as a partnership and not as an association taxable as a corporation;

7.5.6 Represent the Company and the Members, at the Company's expense, as Partnership Representative (with all powers and responsibilities granted to a Partnership Representative) in connection with all examinations by tax authorities of the Company's affairs, and any other tax administrative or judicial proceeding regarding the tax treatment of items of Company income, loss, deduction or credit, or any other matter reflected in the Company's returns, and, if reasonably determined to be in the best interest of the Members, the Partnership Representative is authorized to take any action in connection with any tax examination, audit, administrative or judicial proceeding of the Company to the extent permitted by applicable law, including the authority to agree to final Company administrative adjustments or file a petition for a readjustment of the Company items in question with the applicable court;

7.5.7 Initiate, settle and defend legal actions on behalf of the Company;

7.5.8 Admit itself as a Member;

7.5.9 Merge or combine the Company or “roll-up” the Company into a partnership, limited liability company or other entity with a Majority Vote of the Units;

7.5.10 Place all or a portion of the Property in a single purpose or bankruptcy remote entity, or otherwise structure or restructure the Company to accommodate any financing for all or a portion of the Property;

7.5.11 Perform any and all other acts which the Managing Member is obligated to perform hereunder; and

7.5.12 Execute, acknowledge and deliver any and all instruments to effectuate the foregoing and take all such actions in connection therewith as the Managing Member may deem necessary or appropriate. The Managing Member may, on behalf and in the name of the Company, execute any and all documents or instruments.

7.6 Administration of Company. So long as it is the Managing Member and the provisions of this Agreement for compensation and reimbursement of expenses of the Managing Member are observed, the Managing Member shall have the responsibility of providing continuing administrative and executive support, advice, consultation, analysis and supervision with respect to the functions of the Company, including decisions regarding the sale or refinancing or other disposition of the Property, and compliance with federal, state and local regulatory requirements and procedures. In this regard, the Managing Member may retain the services of such Affiliates or unaffiliated parties as the Managing Member may deem appropriate to provide management and financial consultation and advice, and may enter into agreements for the management and operation of Company assets.

7.7 Indemnification of Managing Member.

7.7.1 The Managing Member, its shareholders, Affiliates, officers, directors, partners, managers, members, employees, agents and assigns, shall not be liable for, and shall be indemnified and held harmless (to the extent of the Company’s assets) from, any loss or damage incurred by them, the Company or the Members in connection with the business of the Company, including costs and reasonable attorneys’ fees and any amounts expended in the settlement of any claims of loss or damage resulting from any act or omission performed or omitted in good faith, which shall not constitute gross negligence or willful malfeasance, pursuant to the authority granted, to promote the interests of the Company. Moreover, the Managing Member shall not be liable to the Company or the Members because any taxing authorities disallow or adjust any deductions or credits, or adjust any income, reflected on any tax return filed by the Company.

7.7.2 Notwithstanding anything contained herein to the contrary, any indemnification of the Managing Member or any Member shall be fully subordinated to any obligations encumbering the Property and such indemnification shall not constitute a claim against the Company in the event that cash flow in excess of amounts necessary to pay holders of such obligations is insufficient to pay such indemnification obligations.

7.8 No Personal Liability for Return of Capital. The Managing Member shall not be personally liable or responsible for the return or repayment of all or any portion of the capital contributed by any Member to the Company or any loan made by any Member to the Company, it being expressly understood that any such return of capital or repayment of any loan shall be made solely from the assets (which shall not include any right of contribution from any Member) of the Company. The Company will, to the fullest extent to which it is empowered to do so by the Act or any other applicable law, indemnify and make advances for expenses to any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that it is or was a Managing Member of the Company, against losses, damages, expenses (including attorneys’ fees), judgments, fines and amounts reasonably incurred by it in connection with such action, suit or proceeding.

7.9 Authority as to Third Persons.

7.9.1 No third party dealing with the Company shall be required to investigate the authority of the Managing Member or secure the approval or confirmation by any Member of any act of the Managing Member in connection with the Company business. No purchaser of any property or interest owned by the Company shall be required to determine the right to sell or the authority of the Managing Member to sign and deliver any instrument of transfer on behalf of the Company, or to see to the application or distribution of revenues or proceeds paid or credited in connection therewith.

7.9.2 The Managing Member shall have full authority to execute on behalf of the Company any and all agreements, contracts, conveyances, deeds, mortgages and other instruments, and the execution thereof by the Managing Member, executing on behalf of the Company, shall be the only execution necessary to bind the Company thereto. No signature of any Member shall be required.

7.9.3 The Managing Member shall have the right by separate instrument or document to authorize one or more individuals or entities to execute leases and lease-related documents on behalf of the Company and any leases and documents executed by such agent shall be binding upon the Company as if executed by the Managing Member.

7.10 Board of Director and Officers.

7.10.1 Board of Directors. In accordance with Section 7.1 and subject to Section 9, the business and affairs of the Company shall be managed by or under the direction of a Board of one or more Directors designated by the Managing Member. Subject to Section 7.10.2, the Managing Member may determine at any time in its sole and absolute discretion the number of Directors to constitute the Board. The authorized number of Directors may be increased or decreased by the Managing Member at any time in its sole and absolute discretion, upon notice to all Directors, and subject in all cases to Section 7.10.2. The initial number of Directors shall be 3. Each Director elected, designated or appointed by the Managing Member shall hold office until a successor is elected and qualified or until such Director's earlier death, resignation, expulsion or removal. Directors need not be a Member. The initial Directors designated by the Member are listed on Exhibit B hereto.

(a) Powers. Subject to Section 9, the Board of Directors shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise. Subject to Section 1.3, the actions of the Board of Directors taken in accordance with this Agreement have the authority to bind the Company.

(b) Meeting of the Board of Directors. The Board of Directors of the Company may hold meetings, both regular and special, within or outside the State of Delaware. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board. Special meetings of the Board may be called by the Managing Member, Chief Executive Officer or President on not less than one day's notice to each Director by telephone, facsimile, mail, telegram or any other means of communication, and special meetings shall be called by the President or Secretary in like manner and with like notice upon the written request of any one or more of the Directors.

(c) Quorum: Acts of the Board. Subject to Section 9, at all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and, except as otherwise provided in any other provision of this Agreement, the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at any meeting of the Board, the Directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee, as the case may be.

(d) Telephonic Communications. Members of the Board, or any committee designated by the Board, may participate in meetings of the Board, or any committee, by means of telephone conference or similar communications equipment that allows all Persons participating in the meeting to hear each other, and such participation in a meeting shall constitute presence in Person at the meeting. If all the participants are participating by telephone conference or similar communications equipment, the meeting shall be deemed to be held at the principal place of business of the Company.

(e) Committees of Directors.

(i) The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the Directors of the Company. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

(ii) In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.

(iii) Any such committee, to the extent provided in the resolution of the Board, and subject to, in all cases, Sections 7.10.2 and 9, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

(f) Compensation of Directors; Expenses. The Board shall have the authority to fix the compensation of Directors. The Directors may be paid their expenses, if any, of attendance at meetings of the Board, which may be a fixed sum for attendance at each meeting of the Board or a stated salary as Director. No such payment shall preclude any Director from serving the Company in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

(g) Removal of Directors. Unless otherwise restricted by law, subject to Section 7.10.2, any Director or the entire Board of Directors may be removed or expelled, with or without cause, at any time by the Managing Member, and, subject to Section 7.10.2, any vacancy caused by any such removal or expulsion may be filled by action of the Managing Member.

(h) Directors as Agents. To the extent of their powers set forth in this Agreement and subject to Section 9, the Directors are agents of the Company for the purpose of the Company's business, and the actions of the Directors taken in accordance with such powers set forth in this Agreement shall bind the Company. Notwithstanding the last sentence of Section 18-402 of the Act, except as provided in this Agreement or in a resolution of the Directors, a Director may not bind the Company.

7.10.2 Intentionally Omitted.

7.10.3 Officers. The Managing Member shall have authority to designate officers of the Company ("Officers") to act on behalf of the Company. The initial Officers of the Company shall be designated by the Managing Member. The additional or successor Officers of the Company shall be chosen by the Managing Member and shall consist of at least a President and a Secretary. Any number of offices may be held by the same person. The Managing Member shall choose the President and Secretary. The Managing Member may appoint such other Officers and agents as it shall deem necessary or advisable who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Managing Member. The President or any other Officer authorized by the Managing Member shall have the authority to execute documents on behalf of the Company. The salaries of all Officers and agents of the Company shall be fixed by or in

the manner prescribed by the Managing Member. The Officers of the Company shall hold office until their successors are chosen and qualified. The Managing Member may remove any Officer at any time, with or without cause. The Managing Member shall fill any vacancy occurring in any office of the Company. The initial Officers of the Company designated by the Managing Member are listed on Exhibit B hereto.

(a) Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Company and shall be responsible for seeing that all orders and resolutions of the Managing Member are carried into effect. The Chief Executive Officer shall perform such other duties as may be prescribed from time to time by the Managing Member, under whose supervision the Chief Executive Officer shall serve.

(b) President. In the absence of the Chief Executive Officer, or in the event of his inability or refusal to act, the President shall perform the duties of the Chief Executive Officer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. The President shall perform such other duties as may be prescribed from time to time by the Managing Member, under whose supervision the President shall serve.

(c) Secretary. The Secretary shall be responsible for maintaining records for the Company. The Secretary shall attend all meetings and record all the proceedings of the meetings, if any, of the Members and shall perform like duties for the standing committees when required. The Secretary shall give, or shall cause to be given, notice of all meetings, if any, of the Members and shall perform such other duties as may be prescribed from time to time by the Managing Member, under whose supervision the Secretary shall serve.

(d) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by action of the Managing Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and the actions of the Officers taken in accordance with such powers shall bind the Company.

(e) Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

(f) Indemnification and Limitation of Liability. Each Officer shall have all rights (and be subject to all the limitations) to indemnification and limitations of liability equal to those afforded to the Managing Member under this Agreement, including, without limitation, Section 7.7 and 7.8 hereof, under the Act, and/or applicable law.

8. Rights, Authority and Voting of the Members.

8.1 Members Are Not Agents. Pursuant to Section 7 (and as set forth therein) and the Certificate of Formation, the management of the Company is vested in the Managing Member. No Member, acting solely in the capacity of a Member, is an agent of the Company nor can any Member in such capacity bind or execute any instrument on behalf of the Company. Notwithstanding anything contained herein to the contrary, when acting on matters subject to the vote of the Members, notwithstanding that the Company is not then insolvent, the Members shall take into account the interest of the Company's creditors, as well as those of the Members.

8.2 Voting by a Member. Members who own Class A Units shall be entitled to cast one vote for each Unit they own. Except as otherwise specifically provided in this Agreement or as otherwise required, Members who own Class A Units shall have the right to vote only upon the following matters:

- 8.2.1 Remove the Managing Member as provided in Section 10.2 of this Agreement;
- 8.2.2 Elect a successor Partnership Representative;

- 8.2.3 Amend this Agreement (except for amendments permitted under Section 7.3.12);
- 8.2.4 Elect to continue the business of the Company as set forth in Section 14.1.5 when there is a Dissolution Event;
- 8.2.5 Approve the assignment of the Managing Member's Class B Unit under Section 11.1;
- 8.2.6 Elect an additional Managing Member; or
- 8.2.7 Elect a successor Managing Member.

8.3 Member Vote; Consent of Managing Member; Deemed Approval and Consent by the Members. All matters upon which the Members may vote shall require a Super Majority Vote and (except for removal of the Managing Member as provided in Section 10.2) the consent of the Managing Member to pass and become effective. Whenever in this Agreement the vote, consent or approval of the Members is required or otherwise requested, the Members shall have fifteen (15) days from the date the vote or request for consent or approval is submitted by the Managing Member to approve or disapprove of the matter in writing (unless a longer or shorter period for response is specifically provided for herein). In the event a Member does not disapprove in writing of such matter within such fifteen (15) day period (or such longer or shorter period expressly provided for herein), the Member shall be deemed to have voted in the affirmative or approved the matter as applicable.

8.4 Meetings of the Members. The Managing Member may at any time call for a meeting of the Members, or for a vote without a meeting, on matters on which the Members are entitled to vote, and shall call for such a meeting (but not a vote without a meeting) following receipt of a written request therefor of Members holding more than 50% of the Units entitled to vote as of the record date. Within 20 days after receipt of such request, the Managing Member shall notify all Members of record on the record date of the Company meeting.

8.4.1 Notice. Except as provided by Section 8.4.5, written notice of each meeting shall be given to each Member entitled to vote, either personally or by mail or other means of written communication, charges prepaid, addressed to such Member at his or her address appearing on the books of the Company or given by him or her to the Company for the purpose of notice or, if no such address appears or is given, at the principal executive office of the Company, or by publication of notice at least once in a newspaper of general circulation in the county in which such office is located. All such notices shall be sent not less than 5, nor more than 60, days before such meeting. The notice shall specify the place, date and hour of the meeting and the general nature of business to be transacted, and no other business shall be transacted at the meeting.

8.4.2 Adjourned Meeting and Notice Thereof. When a Members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Company may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 45 days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting.

8.4.3 Quorum. The presence in person or by proxy of the persons entitled to vote a majority of the Units shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a Super Majority Vote or such greater vote as may be required by this Agreement or by law. In the absence of a quorum, any meeting of Members may be adjourned from time to time by a Majority Vote of the Units represented either in person or by proxy, but no other business may be transacted, except as provided above.

8.4.4 Consent of Absentees. The transactions of any meeting of Members, however called and noticed and wherever held, are as valid as though they occurred at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of the

meeting or an approval of the minutes thereof. All waivers, consents and approvals shall be filed with the Company records or made a part of the minutes of the meeting.

8.4.5 Action Without Meeting. Except as otherwise provided in this Agreement, any action which may be taken at any meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Members having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all entitled to vote thereon were present and voted. In the event the Members are requested to consent on a matter without a meeting, each Member shall be given not less than 5, nor more than 60, days notice. Unless delayed as a result of the preceding sentence, any action taken without a meeting will be effective five days after the required minimum number of voters have consented; however, the action will be effective immediately if the Managing Member and Members representing at least 90% of the Class A Units have consented.

8.4.6 Record Dates. For purposes of determining the Members entitled to notice of any meeting or to vote or entitled to receive any Distributions or to exercise any rights in respect of any other lawful matter, the Managing Member may fix in advance a record date, which is not more than 60 nor less than 5 days prior to the date of the meeting nor more than 60 days prior to any other action. If no record date is fixed:

(a) The record date for determining Members entitled to notice of or to vote at a meeting of Members shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held;

(b) The record date for determining Members entitled to give consent to Company action in writing without a meeting shall be the day on which the first written consent is given;

(c) The record date for determining Members for any other purpose shall be at the close of business on the day on which the Managing Member adopts it, or the 60th day before the date of the other action, whichever is later; and

(d) A determination of Members of record entitled to notice of or to vote at a meeting of Members shall apply to any adjournment of the meeting unless the Managing Member, or the Members who requested the meeting, fix a new record date for the adjourned meeting, but the Managing Member, or such Members, shall fix a new record date if the meeting is adjourned for more than 45 days from the date set for the original meeting.

8.4.7 Proxies. Every person entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Managing Member. No proxy shall be valid after the expiration of 3 months from the date thereof unless otherwise provided in the proxy. Every proxy continues in full force and effect until revoked as specified or unless it states that it is irrevocable. A proxy that states that it is irrevocable is irrevocable for the period specified therein to the fullest extent permitted by law.

8.4.8 Chairman of Meeting. The Managing Member may select any Person to preside as Chairman of any meeting of the Members, and if such Person shall be absent from the meeting, or fail or be unable to preside, the Managing Member may name any other Person in substitution therefor as Chairman. In the absence of an express selection by the Managing Member of a Chairman or substitute therefor, the Chief Executive Officer, President, Vice President, Secretary, or Chief Financial Officer of ExchangeRight Real Estate, LLC, shall preside as Chairman, in that order. The Chairman of the meeting shall designate a secretary for such meeting, who shall take and keep or cause to be taken and kept minutes of the proceedings thereof. The conduct of all Members' meetings shall at all times be within the discretion of the Chairman of the meeting and shall be conducted under such rules as he may prescribe. The Chairman shall have the right and power to adjourn any meeting at any time, without a vote of the Units present in Person or represented by proxy, if the Chairman shall determine such action to be in the best interests of the Company.

8.4.9 Inspectors of Election. In advance of any meeting of Members, the Managing Member may appoint any Persons other than nominees for Managing Member or other office as the inspector of election to act at the meeting and any adjournment thereof. If an inspector of election is not so appointed, or if any such Person fails to appear or refuses to act, the Chairman of any such meeting may, and on the request of any Member or his proxy shall, make such appointment at the meeting. The inspector of election shall determine the number of Units outstanding and the voting power of each, the Units represented at the meeting, the existence of a quorum, the authenticity, validity and effect of proxies, receive votes, ballots or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result and do such acts as may be proper to conduct the election or vote with fairness to all Members.

8.4.10 Record Date and Closing Company Books. When a record date is fixed, only Members of record on that date are entitled to notice of and to vote at the meeting or to receive a Distribution, or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any Units on the books of the Company after the record date.

8.5 Rights of Members. No Member shall have the right or power to: (i) withdraw or reduce his contribution to the capital of the Company, except as a result of the division, dissolution and termination of the Company or as otherwise provided in this Agreement or by law; (ii) bring an action for partition against the Company; or (iii) demand or receive property other than cash in return for its contribution to the capital of the Company. Except as provided in this Agreement, no Member shall have priority over any other Member either as to the return of its contribution of capital to the Company or as to allocations of the income, loss or Distributions of the Company. Other than upon the termination, division and dissolution of the Company as provided by this Agreement, there has been no time agreed upon when the contribution of each Member (other than the Initial Member) is to be returned.

8.6 Restrictions on the Member. No Member owning a Class A Unit shall:

8.6.1 Disclose to any non-Member other than their lawyers, accountants or consultants and/or commercially exploit any of the Company's business practices, trade secrets or any other information not generally known to the business community;

8.6.2 Do any other act or deed with the intention of harming the business operations of the Company; or

8.6.3 Do any act contrary to the Agreement.

8.7 Return of Capital of Member. In accordance with the Act, a Member may, under certain circumstances, be required to return to the Company, for the benefit of the Company's creditors, amounts previously distributed to the Member. If any court of competent jurisdiction holds that any Member is obligated to make any such payment, such obligation shall be the obligation of such Member and not of the Company, the Managing Member or any other Member.

9. Intentionally Omitted.

10. Resignation, Withdrawal or Removal of the Managing Member.

10.1 Resignation or Withdrawal of Managing Member. Subject to Section 11 hereof, the Managing Member shall not resign or withdraw as the Managing Member or do any act that would require its resignation or withdrawal without a Super Majority Vote. If the Managing Member is permitted to resign pursuant to this Section 10.1, an additional manager of the Company shall be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the resignation and, immediately following such admission, the resigning Managing Member shall cease to be the Managing Member of the Company.

10.2 Removal. The Managing Member may be removed by a Super Majority Vote for “cause.” For purposes of this Section 10.2 “cause” shall be deemed to exist (i) if the Members have determined by a Super Majority Vote that the Managing Member has engaged in willful misconduct, committed malfeasance, materially breached this Agreement and, to the extent such breach is susceptible of being cured, such breach has continued for thirty (30) days after written notice thereof from the Members owning a more than 75% of the Class A Units to the Managing Member (provided, however, that if such breach is susceptible of cure but such cure cannot be accomplished with reasonable diligence within said period of time, and if the Managing Member commences to cure such breach promptly after receipt of notice thereof from Members owning a majority of the Class A Units, and thereafter prosecutes the curing of such breach with reasonable diligence, such period of time shall be extended for such period of time as may be necessary to cure such breach with reasonable diligence), or breached its fiduciary duties to the Company, or (ii) upon an Event of Insolvency of the Managing Member.

10.3 Managing Member’s Fees. Upon the removal of the Managing Member pursuant to Section 10.2 or its termination or its withdrawal with the approval of a Super Majority Vote, the Company shall redeem the Managing Member’s Class B Unit for \$100, and such Managing Member shall be paid all of its earned but unpaid fees and other compensation remaining to be paid under this Agreement. The Company shall pay these amounts to the Managing Member in cash within 60 days of the withdrawal of the Managing Member. If the Managing Member and the Company cannot agree upon the accrued but unpaid fees within 30 days, the amount shall be determined by arbitration as described in Section 19.12.

11. Assignment of the Managing Member’s Interest.

11.1 Permitted Assignments. Except for transfers to Affiliates and as otherwise provided in this Agreement, the Managing Member may not sell, assign, hypothecate, encumber or otherwise transfer any part or all of its interest in the Company except with the consent of a Super Majority Vote, which consent may be withheld by such Members in their sole and absolute discretion and without reason or for any reason whatsoever. If the Members consent to the transfer, the interest may only be sold to the proposed transferee within the time period approved by the Members, or within 90 days of such consent on the proposed terms and price, if later. All costs of the transfer, including reasonable attorneys’ fees (if any), shall be borne by the transferring Managing Member.

11.1.1 Any assignment or transfer of the Managing Member’s interest provided for by this Agreement can be an assignment or transfer of all of its interest or any portion or part of its interest.

11.1.2 Any transfer of all or a part of any Managing Member’s interest may be made only pursuant to the terms and conditions contained in this Section 11.

11.1.3 Any such assignment shall be by a written instrument of assignment, the terms of which are not in contravention of any of the provisions of this Agreement, and which has been duly executed by the assignor of such Managing Member’s interest and accepted by the Members pursuant to a Super Majority Vote.

11.1.4 The assignor and assignee shall have executed, acknowledged, and delivered such other instruments as the Members, pursuant to a Super Majority Vote, may deem necessary or desirable to effect such substitution of any such proposed transfer, and which shall include the written acceptance and adoption by the assignee of the provisions of this Agreement.

11.2 Substitute Managing Member. Upon acceptance by the Members, any assignee of such Managing Member’s interest in compliance with this Section 11 shall be substituted as the Managing Member.

11.3 Transfer in Violation Not Recognized. Any assignment, sale, exchange or other transfer in contravention of the provisions of this Section 11 shall be void and ineffectual and shall not bind or be recognized by the Company.

12. Assignment of Units.

12.1 Permitted Assignments. A Member (other than the Managing Member) may only sell, assign, hypothecate, encumber or otherwise transfer any part (but not less than the lesser of (i) one Unit or (ii) the Member's entire interest in the Company) or all of his or her interest in the Company if the following requirements are satisfied:

12.1.1 The Managing Member consents in its sole and absolute discretion in writing to the transfer;

12.1.2 No Member shall transfer, assign or convey or offer to transfer, assign or convey all or any portion of a Unit to any Person who does not possess the financial qualifications required of all Persons who become Members, as described in the Memorandum (including to the extent the legal requirements thereunder may have been modified by law;

12.1.3 No Member shall have the right to transfer any Unit to any minor or to any Person who, for any reason, lacks the capacity to contract for himself or herself under applicable law. Such limitations shall not, however, restrict the right of any Member to transfer any one or more Units to a custodian or a trustee for a minor or other Person who lacks such contractual capacity;

12.1.4 The Managing Member, with advice of counsel, must determine that such transfer will not jeopardize the applicability of the exemptions from the registration requirements under the Securities Act of 1933, as amended, and registration or qualification under state securities laws relied upon by the Company and Managing Member in offering and selling the Units or otherwise violate any federal or state securities laws;

12.1.5 The Managing Member, with advice of counsel, must determine that, despite such transfer, Units will not be deemed traded on an established securities market or "readily tradable on a secondary market (or the substantial equivalent thereof)" under the provisions applicable to publicly traded partnership status;

12.1.6 Any such transfer shall be by a written instrument of assignment, the terms of which are not in contravention of any of the provisions of this Agreement, and which has been duly executed by the assignor of such Units and accepted by the Managing Member in writing;

12.1.7 A transfer fee shall be paid by the transferring Member in such amount as may be required by the Managing Member to cover all reasonable expenses, including attorneys' fees, connected with such assignment; and

12.1.8 The transfer will not result in qualified benefit plans owning 25% or more of the Units.

12.2 Substituted Member.

12.2.1 Conditions to be Satisfied. No Person shall have the right to become a Substituted Member unless the Managing Member shall consent thereto in accordance with Section 12.2.2 and all of the following conditions are satisfied:

(a) A duly executed and acknowledged written instrument of assignment shall have been filed with the Company, which instrument shall specify the number of Units being assigned and set forth the intention of the assignor that the assignee succeed to the assignor's interest as a Substituted Member in his or her place;

(b) The assignor and assignee shall have executed, acknowledged and delivered such other instruments as the Managing Member may deem necessary or desirable to effect such substitution, which may include an opinion of counsel regarding the effect and legality of any such proposed transfer, and which shall include: (i) the written acceptance and adoption by the assignee of the

provisions of this Agreement and (ii) the execution, acknowledgment and delivery to the Managing Member of a special power of attorney, the form and content of which are more fully described herein; and

(c) A transfer fee sufficient to cover all reasonable expenses connected with such substitution shall have been paid to the Company.

12.2.2 Consent of Managing Member. The consent of the Managing Member shall be required to admit a Person as a Substituted Member. The granting or withholding of such consent shall be within the sole and absolute discretion of the Managing Member.

12.2.3 Consent of Member. By executing or adopting this Agreement, each Member hereby consents to the admission of additional or Substituted Members upon consent of the Managing Member and in compliance with this Agreement.

12.3 Assignment of 50% or More of Units. No assignment of any Units may be made if the Units to be assigned, when added to the total of all other Units and Managing Member interests assigned within the 13 immediately preceding months, would, in the opinion of counsel for the Company, result in the termination of the Company under the Code.

12.4 Transfer Subject to Law. No assignment, sale, transfer, exchange or other disposition of any Units may be made except in compliance with the applicable governmental laws and regulations, including state and federal securities laws.

12.5 Termination of Membership Interest. Upon the transfer of a Unit in violation of this Agreement or the occurrence of a Dissolution Event as to such Member that does not result in the dissolution of the Company, the Membership Interest of a Member shall be converted into an Economic Interest.

13. Books, Records, Accounting and Reports.

13.1 Records, Audits and Reports. The Company shall maintain at its principal office the Company's records and accounts of all operations and expenditures of the Company including the following:

13.1.1 A current list in alphabetical order of the full name and last known business or resident address of each Member and Managing Member, together with the number of Units owned by each Member;

13.1.2 A copy of the Certificate of Formation and all amendments thereto, together with any powers of attorney pursuant to which the Certificate of Formation or any amendments thereto were executed;

13.1.3 Copies of the Company's federal, state, and local income tax or information returns and reports, if any, for the six most recent taxable years;

13.1.4 Copies of this Agreement and any amendments thereto together with any powers of attorney pursuant to which any written accounting or any amendments thereto were executed;

13.1.5 Copies of any financial statements of the Company, if any, for the six most recent years; and

13.1.6 The Company's books and records as they relate to the internal affairs of the Company for at least the current and past four fiscal years.

13.2 Delivery to Members and Inspection.

13.2.1 Each Member, or its representative designated in writing, has the right, upon reasonable written request for purposes related to the interest of that Person as a Member, which purposes are set forth in the written request, to receive from the Company:

(a) True and full information regarding the status of the business and financial condition of the Company;

(b) Promptly after becoming available, a copy of the Company's federal, state and local income tax returns for each year;

(c) A current list of the name and last known business, residence or mailing address of each Member and Managing Member;

(d) A copy of this Agreement and the Certificate of Formation and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which this Agreement and any certificate and all amendments thereto have been executed; and

(e) True and full information regarding the number of Units owned by each Member.

13.3 Annual Report. The Managing Member will cause the Company, at the Company's expense, to prepare an annual report containing a year-end balance sheet, income statement and a statement of changes in financial position. Copies of such statements shall be distributed to each Member within 90 days after the close of each fiscal year of the Company.

13.4 Tax Information. The Managing Member shall cause the Company, at the Company's expense, to prepare and timely file income tax returns for the Company with the appropriate authorities, and shall cause all Company information necessary in the preparation of the Members' individual income tax returns to be distributed to the Members not later than 90 days after the end of the Company's fiscal year. The Managing Member shall also distribute a copy of the Company's tax return to a Member, if requested by such Member. Each Member shall timely provide to the Company and the Company shall timely provide to the Members (i) such assistance as may be reasonably requested by such Member or the Company in connection with the preparation of any tax return, any audit or any claim of refund or credit in respect of taxes, and (ii) any records or other information relevant to such tax returns, audits or claims, in each case relating to the business of the Company and including any information reasonably requested by the Partnership Representative to comply with the Revised Partnership Audit Procedures (including the making and taking advantage of any elections available to the Company under such procedures).

14. Termination and Dissolution of the Company.

14.1 Termination of Company. Subject to the limitations contained in Section 1.4, Section 9 and the terms of Section 7.10 of this Agreement and the Certificate of Formation, the Company shall be dissolved, shall terminate and its assets shall be disposed of, and its affairs wound up upon the earliest to occur of the following:

14.1.1 Upon the happening of any event of dissolution specified in the Certificate of Formation;

14.1.2 A determination by the Managing Member to terminate the Company;

14.1.3 Upon the entry of a decree of judicial dissolution; or

14.1.4 The sale of all the real property held by the Company, or the receipt of the final payment on any seller financing provided by the Company on the sale of the Property, if later.

The bankruptcy, death, division, dissolution, liquidation, termination or adjudication of incompetency of a Member shall not cause the termination, division or dissolution of the Company and the business of the Company shall continue.

14.2 Certificate of Cancellation. As soon as possible following the completion of the winding up of the Company, the Managing Member who has not wrongfully dissolved the Company or, if none, the Members, shall execute and file a Certificate of Cancellation in such form as shall be required by the Act. The Company shall

continue to exist as a separate legal entity until the Certificate of Cancellation has been filed in accordance with the Act.

14.3 Liquidation of Assets. Upon a division, dissolution and termination of the Company, the Managing Member (or in case there is no Managing Member, the Members or Person designated by a Majority Vote) shall take full account of the Company assets and liabilities, shall liquidate the assets as promptly as is consistent with obtaining the fair market value thereof, and shall apply and distribute the proceeds therefrom in the following order:

14.3.1 To the payment of any lender and other creditors of the Company, other than Members who are creditors, but excluding secured creditors whose obligations will be assumed or otherwise transferred on liquidation of Company assets, and then to the payment of Members who are creditors of the Company;

14.3.2 To the setting up of any reserves as required by law for any liabilities or obligations of the Company; provided, however, that said reserves shall be deposited with a bank or trust company in escrow with interest for the purpose of disbursing such reserves for the payment of any of the aforementioned contingencies and, at the expiration of a reasonable period, for the purpose of distributing the balance remaining in accordance with the remaining provisions of this Section 14.3;

14.3.3 To those Members holding Class A Units in proportion to their Class A Units; and

14.3.4 To the Managing Member in an amount equal to \$100.

14.4 Distributions Upon Dissolution. Each Member shall look solely to the assets of the Company for all Distributions, and shall have no recourse therefor (upon division, dissolution or otherwise) against any Managing Member or any Member.

14.5 Limitation on Distributions. Notwithstanding any other provision in this Agreement, the Company shall make no distribution that would violate the Act or other applicable law.

15. Special and Limited Power of Attorney.

15.1 Power of Attorney. The Managing Member shall at all times during the term of the Company have a special and limited power of attorney as the attorney-in-fact for each Member, with power and authority to act in the name and on behalf of each such Member to execute, acknowledge, and swear to in the execution, acknowledgment and filing of documents that are not inconsistent with the provisions of this Agreement and which may include, by way of illustration but not by way of limitation, the following:

15.1.1 This Agreement, as well as any amendments to the foregoing which, under the laws of the State of Delaware or the laws of any other state, are required to be filed or which the Managing Member shall deem it advisable to file;

15.1.2 Any other instrument or document that may be required to be filed by the Company under the laws of any state or by any governmental agency or which the Managing Member shall deem it advisable to file;

15.1.3 Any instrument or document that may be required to effect the continuation of the Company, the admission of Substituted Members, or the division, dissolution and termination of the Company (provided such continuation, admission or division, dissolution and termination are in accordance with the terms of this Agreement);

15.1.4 Any contract for purchase or sale of real estate, and any deed, deed of trust, mortgage, or other instrument of conveyance or encumbrance, with respect to the Property; and

15.1.5 Any and all other instruments as the Managing Member may deem necessary or desirable to effect the purposes of this Agreement and carry out fully its provisions, including, but not limited to, those in Section 17.

15.2 Provision of Power of Attorney. The special and limited power of attorney of the Managing Member:

15.2.1 Is a special power of attorney coupled with the interest of the Managing Member in the Company, and its assets, is irrevocable, shall survive the death, incapacity, termination, division or dissolution of the granting Member, and is limited to those matters herein set forth;

15.2.2 May be exercised by the Managing Member by and through one or more of the officers of the Managing Member, for each of the Members by the signature of the Managing Member acting as attorney-in-fact for all of the Members, together with a list of all Members executing such instrument by their attorney-in-fact or by such other method as may be required or requested in connection with the recording or filing of any instrument or other document so executed; and

15.2.3 Shall survive an assignment by a Member of all or any portion of his or her Units except that, where the assignee of the Units owned by the Member has been approved by the Managing Member for admission to the Company as a Substituted Member, the special power of attorney shall survive such assignment for the sole purpose of enabling the Managing Member to execute, acknowledge and file any instrument or document necessary to effect such substitution to the fullest extent permitted by law.

15.3 Notice to Members. The Managing Member shall promptly furnish to a Member a copy of any amendment to the Limited Liability Company Agreement executed by the Managing Member pursuant to a power of attorney from the Member.

16. Relationship of this Agreement to the Act. Many of the terms of this Agreement are intended to alter or extend provisions of the Act as they may apply to the Company or the Members. Any failure of this Agreement to mention or specify the relationship of such terms to provisions of the Act that may affect the scope or application of such terms shall not be construed to mean that any of such terms are not intended to be a limited liability company agreement provision authorized or permitted by the Act or which in whole or in part alters, extends or supplants provisions of the Act as may be allowed thereby.

17. Amendment of Agreement.

17.1 Admission of Member. Amendments to this Agreement for the admission of any Member or Substitute Member shall not, if in accordance with the terms of this Agreement, require the consent of any Member.

17.2 Amendments with Consent of Members. Subject to the terms of Section 9.1 hereof and the Certificate of Formation, in addition to any amendments otherwise authorized herein, this Agreement may be amended by the Managing Member with a Super Majority Vote of the Units; provided, however, that any amendment that would treat a specific Member less favorably than another Member (in application but not in effect), then such amendment shall require the vote of such adversely affected Member.

17.3 Amendments Without Consent of the Members. Subject to the terms of Section 9.1 hereof and the Certificate of Formation, in addition to the Amendments authorized pursuant to Section 7.3.12 or otherwise authorized herein, the Managing Member may amend this Agreement, without the consent of any of the Members, to (i) change the name and/or principal place of business of the Company, or (ii) decrease the rights and powers of the Managing Member (so long as such decrease does not impair the ability of the Managing Member to manage the Company and conduct its business and affairs); provided, however, that no amendment shall be adopted pursuant to this Section 17.3 unless the adoption thereof (A) is for the benefit of or not adverse to the interests of the Members, (B) is not inconsistent with Section 7 or Section 9, and (C) does not affect the limited liability of the Members or the status of the Company as a partnership for federal income tax purposes. Further, the Managing Member shall be allowed to amend this Agreement without the consent of any of the Members to comply with any terms or

modifications required by any lender to make this Agreement comply with any special purpose entity requirements or otherwise.

17.4 Execution and Recording of Amendments. Any amendment to this Agreement shall be executed by the Managing Member, and by the Managing Member as attorney-in-fact for the Members pursuant to the power of attorney contained in Section 15. After the execution of such amendment, the Managing Member shall also prepare and record or file any certificate or other document which may be required to be recorded or filed with respect to such amendment, either under the Act or under the laws of any other jurisdiction in which the Company holds any property or otherwise does business.

18. Member Representations. Each Member hereby represents and warrants to the Company, the Managing Member and all other Members that:

18.1 Such Member has the power and authority to execute and comply with the terms and provisions hereof.

18.2 Such Member's interest in the Company has not and will not be registered under the Federal Securities Act of 1933, as amended, or the securities laws of any state, and cannot be sold or transferred without compliance with the registration provisions of said Securities Act of 1933, as amended, and the applicable state securities laws, or compliance with the exemptions, if any, available thereunder. Such Member understands that neither the Company nor the Managing Member or any other Member has any obligation or intention to register the Member interest under any federal or state securities act or law, or to file the reports to make public the information required by Rule 144 under the Securities Act of 1933, as amended.

19. Miscellaneous.

19.1 Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one Agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart.

19.2 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective Members.

19.3 Severability. In the event any sentence or Section of this Agreement is declared by a court of competent jurisdiction to be void, such sentence or Section shall be deemed severed from the remainder of this Agreement and the balance of this Agreement shall remain in full force and effect.

19.4 Notices. All notices under this Agreement shall be in writing and shall be given to the Member entitled thereto, by personal service or by mail, posted to the address maintained by the Company for such Person or at such other address as he or she may specify in writing; provided, however, that in the event that any such Member does not respond to the personal service or mail as set forth above, that the Managing Member shall send out one additional notice by certified mail return receipt requested or by a delivery service that maintains records regarding their deliveries or attempted deliveries.

19.5 Managing Member's Address. The name and address of the Managing Member is as follows:

ExchangeRight Asset Management, LLC
1055 E. Colorado Blvd., Suite 310
Pasadena, CA 91106

19.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

19.7 Captions. Section titles or captions contained in this Agreement are inserted only as a matter of convenience and reference. Such titles and captions in no way define, limit, extend or describe the scope of this Agreement nor the intent of any provisions hereof.

19.8 Gender. Whenever required by the context hereof, the singular shall include the plural, and vice versa, the masculine gender shall include the feminine and neuter genders, and vice versa.

19.9 Time. Time is of the essence with respect to this Agreement.

19.10 Additional Documents. Each Member, upon the request of the Managing Member, shall perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement, including, but not limited to, providing acknowledgment before a Notary Public of any signature made by a Member.

19.11 Descriptions. All descriptions referred to in this Agreement are expressly incorporated herein by reference as if set forth in full, whether or not attached hereto.

19.12 Binding Arbitration. Any controversy arising out of or related to this Agreement or the breach thereof or an investment in the Units shall be settled by arbitration in Los Angeles, California in accordance with the rules of The American Arbitration Association, and judgment entered upon the award rendered may be enforced by appropriate judicial action. The arbitration panel shall consist of one member, which shall be the mediator if mediation has occurred or shall be a Person agreed to by each party to the dispute within 30 days following notice by one party that he desires that a matter be arbitrated. If there was no mediation and the parties are unable within such 30 day period to agree upon an arbitrator, then the panel shall be one arbitrator selected by the Los Angeles, California office of The American Arbitration Association, which arbitrator shall be experienced in the area of real estate and limited liability companies and who shall be knowledgeable with respect to the subject matter area of the dispute. The losing party shall bear any fees and expenses of the arbitrator, other tribunal fees and expenses, reasonable attorney's fees of both parties, any costs of producing witnesses and any other reasonable costs or expenses incurred by him or the prevailing party or such costs shall be allocated by the arbitrator. The arbitration panel shall render a decision within 30 days following the close of presentation by the parties of their cases and any rebuttal. The parties shall agree within 30 days following selection of the arbitrator to any prehearing procedures or further procedures necessary for the arbitration to proceed, including interrogatories or other discovery; provided, in any event each Member shall be entitled to discovery.

19.13 Venue. Subject to Section 19.12, any action relating to or arising out of this Agreement shall be brought only in a court of competent jurisdiction located in Los Angeles, California.

19.14 Partition. The Members agree that the assets of the Company are not and will not be suitable for partition. Accordingly, each of the Members hereby irrevocably waives any and all rights that he may have, or may obtain, to maintain any action for partition of any of the assets of the Company.

19.15 Integrated and Binding Agreement. This Agreement contains the entire understanding and agreement among the Members with respect to the subject matter hereof, and there are no other agreements, understandings, representations or warranties among the Members other than those set forth herein except the purchase agreement executed in connection with the purchase of Beneficial Interests in the Trust. This Agreement may be amended only as provided in this Agreement.

19.16 Legal Counsel. Each Member acknowledges and agrees that counsel representing the Company, the Managing Member and its Affiliates does not represent and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Members, other than the Managing Member, in any respect. In addition, each Member consents to the Managing Member hiring counsel for the Company that is also counsel to one or more of the Managing Members.

19.17 Title to Company Property. All property owned by the Company shall be owned by the Company as an entity and, insofar as permitted by applicable law, no Member shall have any ownership interest in any

Company property in its individual name or right, and each Member's Membership Interest shall be personal property for all purposes.

19.18 Conflict. In the event of a conflict between the terms of this Agreement and the Certificate of Formation, the terms of the Certificate of Formation shall control.

19.19 Signature of the Members. The Members hereby acknowledge and agree that by signing the Trust Agreement they are also agreeing to be bound by the terms of this Agreement and that their signature hereto will not be required as of the Conversion Date.

* * * *

[Remainder of page intentionally left blank; signatures follow.]

IN WITNESS WHEREOF, the undersigned have set their hands to this Limited Liability Company Agreement as of the date set forth below.

MANAGING MEMBER:

ExchangeRight Asset Management, LLC,
a California limited liability company

By: ExchangeRight Real Estate, LLC,
a California limited liability company, its sole member

By: _____
Printed Name: _____
Title: Manager
Date: _____

INITIAL MEMBER:

ExchangeRight Net-Leased All-Cash 18 DST,
a Delaware statutory trust

By: ExchangeRight Asset Management, LLC
a California limited liability company

By: ExchangeRight Real Estate, LLC,
a California limited liability company, its sole member

By: _____
Printed Name: _____
Title: Manager
Date: _____

EXHIBIT A

DEFINITIONS

“Act” shall mean the Delaware Limited Liability Company Act, as the same may be amended from time to time.

“Affiliate” shall mean (i) any Person directly or indirectly controlling, controlled by or under common control with another Person; (ii) a Person owning or controlling 10% or more of the outstanding voting securities of such other Person; (iii) any officer, director or partner of such other Person; and (iv) if such other Person is an officer, director or partner, any company for which such person acts in any capacity.

“Agreement” shall mean this Limited Liability Company Agreement, as amended from time to time.

“Beneficial Interest” means a beneficial interest in the Trust as defined in the Trust Agreement.

“Beneficial Owner” means each Person who, at the time of determination, holds a Beneficial Interest as reflected on the Ownership Records (as defined in the Trust Agreement) as of the Conversion Date.

“Board” or “Board of Directors” means the Board of Directors of the Company.

“Cash from Operations” shall mean the cash realized by the Company from all sources, including, but not limited to, the operations of the Company including the sale, financing, refinancing, investing, re-investing or other disposition of the Property after payment of all cash expenditures of the Company, including, but not limited to, all operating expenses including all fees payable to the Managing Member or Affiliates, all payments of principal and interest on indebtedness, expenses for repairs and maintenance, capital improvements and replacements, and such reserves and retentions as the Managing Member reasonably determines to be necessary and desirable in connection with Company operations with its then existing assets and any anticipated acquisitions.

“Certificate of Formation” shall mean the Certificate of Formation of the Company as filed with the Division of Corporations of Delaware as the same may be amended or restated from time to time.

“Class A Units” shall mean the ten thousand (10,000) Class A Units authorized and issued pursuant to Section 3 of this Agreement.

“Class B Unit” shall mean the one (1) Class B Unit authorized and issued pursuant to Section 3 of this Agreement.

“Code” shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequently enacted federal revenue laws.

“Company” shall refer to [____], LLC

“Conversion Date” shall mean the date the Trust Estate is converted into the Company by the Initial Member to preserve and protect the Trust Estate pursuant to Section 9.2 of the Trust Agreement.

“Directors” means the Persons elected to the Board of Directors from time to time by the Managing Member, in their capacity as managers of the Company.

“Dissolution Event” shall mean with respect to the Managing Member one or more of the following: the death, insanity, withdrawal, retirement, resignation, expulsion, Event of Insolvency, division or dissolution (unless reconstituted by the Managing Member) of the Managing Member unless the Members consent to continue the business of the Company pursuant to Section 14.1.5.

“Distributable Cash” shall mean Cash from Operations and capital contributed to the Company by the Members as determined by the Managing Member to be available for Distribution to the Members.

“Distribution” shall refer to any money or other property transferred without consideration (other than repurchased Units) to Members with respect to their interests or Units in the Company, but shall not include any payments to the Managing Member pursuant to Section 6.

“Economic Interest” shall mean an interest in the income, loss and Distributions of the Company but shall not include any right to vote or to participate in the management of the Company.

“Event of Insolvency” shall occur when an order for relief against the Managing Member is entered under Chapter 7 of the federal bankruptcy law, or (A) the Managing Member: (1) makes a general assignment for the benefit of creditors, (2) files a voluntary petition under the federal bankruptcy law, (3) files a petition or answer seeking for that Managing Member a reorganization, arrangement, composition, readjustment, liquidation, division, dissolution or similar relief under any statute, law or regulation, (4) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Managing Member in any proceeding of this nature, or (5) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of that Managing Member or of all or a substantial part of that Managing Member’s properties, or (B) the expiration of 60 days after either (1) the commencement of any proceeding against the Managing Member seeking reorganization, arrangement, composition, readjustment, liquidation, division, dissolution or similar relief under any statute, law, or regulation, if the proceeding has not been dismissed, or (2) the appointment without the Managing Member’s consent or acquiescence of a trustee, receiver, or liquidator of the Managing Member or of all or any substantial part of the Managing Member’s properties, if the appointment has not been vacated or stayed (or if within 60 days after the expiration of any such stay, the appointment is not vacated).

“Formation Date” shall mean the date of filing the Certificate of Formation with the Delaware Division of Corporations to form the Company.

“Initial Member” shall mean the Trust.

“Liquidation” means in respect to the Company the earlier of the date upon which the Company is terminated under Section 708(b)(1) of the Code or the date upon which the Company ceases to be a going concern (even though it may exist for purposes of winding up its affairs, paying its debts and distributing any remaining balance to its Members), and in respect to a Member where the Company is not in Liquidation means the date upon which occurs the termination of the Member’s entire interest in the Company by means of a distribution or the making of the last of a series of Distributions (whether or not made in more than one year) to the Member by the Company.

“Majority Vote” shall mean the vote of more than 67% of the Class A Units entitled to vote. Members shall be entitled to cast one vote for each Unit they own, and a fractional vote for each fractional Class A Unit they own.

“Manager” means ExchangeRight Asset Management, LLC, appointed as manager of the Trust.

“Managing Member” shall refer to ExchangeRight Asset Management, LLC, a California limited liability company. The term “Managing Member” shall also refer to any successor or additional Managing Member who is admitted to the Company as the Managing Member.

“Material Action” means to consolidate or merge the Company with or into any Person, or sell all or substantially all of the assets of the Company, or to institute proceedings to have the Company be adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Company or file a petition seeking, or consent to, reorganization or relief with respect to the Company under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or a substantial part of its property, or make any assignment for the benefit of creditors of the Company, or admit in writing the Company’s inability to pay its debts generally as they become due, or take action in furtherance of any such action, or, to the fullest extent permitted by law, dissolve or liquidate the Company

“Member” or “Members” shall mean any Person admitted as a member to the Company.

“Membership Interest” shall mean a Member’s entire interest in the Company including such Member’s Economic Interest and such voting and other rights and privileges that the Member may enjoy by being a Member.

“Officer” means an officer of the Company described in Section 7.

“Organization Expenses” shall mean all expenses incurred in connection with the organization and formation of the Company, including but not limited to legal and accounting fees, tax planning fees, promotional fees or expenses, filing and recording fees and other costs or expenses incurred in connection therewith.

“Partnership Representative” means the “partnership representative” for any tax period subject to the provisions of Section 6223 of the Code, as amended by the Revised Partnership Audit Procedures. The Partnership Representative shall be the Managing Member until such time as a new Partnership Representative is selected by the Company.

“Person” means any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated organization, or other organization, whether or not a legal entity, and any governmental authority.

“Prime Rate” shall mean the reference rate announced from time-to-time by the Wall Street Journal, and changes in the Prime Rate shall be deemed to occur on the date that changes in such rate are announced.

“Property” shall refer to any or all of such real and tangible or intangible personal property or properties owned, or to be acquired, by the Company (including the proceeds thereof).

“Real Estate” has the meaning assigned to such term in the Trust Agreement.

“Revised Partnership Audit Procedures” means the provisions of Subchapter C of Chapter 63 of the Code, as amended by P.L. 114-74, the Bipartisan Budget Act of 2015 (together with any subsequent amendments thereto, regulations promulgated thereunder, and published administrative interpretations thereof) or any similar procedures established by a state or local taxing authority.

“Special Member” shall mean, upon such Person’s admission to the Company as a member of the Company, the Person bound by this Agreement as Special Member in such Person’s capacity as a member of the Company. A Special Member shall only have the rights and duties expressly set forth in this Agreement.

“Substituted Member” shall mean any Person admitted as a substituted Member pursuant to this Agreement.

“Super Majority Vote” shall mean the vote of more than 75% of the Class A Units entitled to vote. Members shall be entitled to cast one vote for each Unit they own, and a fractional vote for each fractional Class A Unit they own.

“Tax Payment” shall have the meaning set forth in Section 4.12.

“Trust” means ExchangeRight Net-Leased All-Cash 18 DST, that certain Delaware statutory trust formed by and in accordance with, and governed by, the Trust Agreement.

“Trust Agreement” means that certain Trust Agreement dated as of August 27, 2025, by and among ExchangeRight Real Estate, LLC, a California limited liability company, as the Depositor (as defined in the Trust Agreement), the Trustee, and certain Beneficial Owners holding a Beneficial Interest in the Trust.

“Trustee” means the Person serving, at the time of determination, as the trustee under the Trust.

“Trust Estate” means all of the Trust’s right, title, and interest in and to the Master Lease Agreement (as defined in the Trust Agreement), the underlying tenant leases and the Real Estate (as defined in the Trust Agreement), and any and all other property and assets (whether tangible or intangible) in which the Trust has any right, title or interest as of the Conversion Date.

“Unit” shall represent an interest in the Company entitling the owner of the Unit if admitted as a Member to the respective voting and other rights afforded to a Member holding a Unit, and affording to such Member a share in income, loss and Distributions as provided for in this Agreement. The Units shall consist of ten thousand (10,000) Class A Units held by the Members (other than the Managing Member) and one Class B Unit held by the Managing Member.

[Remainder of page intentionally left blank]

EXHIBIT B

INITIAL DIRECTORS AND OFFICERS

<u>Name</u>	<u>Title</u>
Joshua Ungerecht	Director
David Fisher	Director
Warren Thomas	Director
Joshua Ungerecht	Chief Executive Officer
David Fisher	President
Warren Thomas	Secretary

EXHIBIT C
**UNITS TO BE OWNED BY
BENEFICIAL OWNERS OF THE TRUST AND EXCHANGERIGHT ASSET MANAGEMENT**

<u>Name</u>	<u>Address</u>	<u>Percentage Interest in the Trust</u>	<u>Number of Units</u>
ExchangeRight Asset Management		--0--	1 Class B Unit (in exchange for \$100).
[Members]		100%	10,000 Class A Units (distributed by Initial Member)

EXHIBIT F
TAX OPINION

October 31, 2025

ExchangeRight Real Estate, LLC
1055 E. Colorado Blvd.
Suite 310
Pasadena, CA 91106

Re: ExchangeRight Net-Leased All-Cash 18 DST

Ladies and Gentlemen:

ExchangeRight Real Estate, LLC, a California limited liability company (“**ExchangeRight**”), and ExchangeRight Net-Leased All-Cash 18 DST, a Delaware statutory trust (the “**Trust**”), have retained Venable LLP as special tax counsel to address certain federal income tax consequences and render opinions on specified federal income tax issues in connection with the transactions described in the Confidential Offering Memorandum dated October 31, 2025 for the offering of beneficial ownership interests in the Trust (the “**Memorandum**”). All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Memorandum.

In connection with our representation of ExchangeRight and the Trust, and as a basis for the opinion hereinafter set forth, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following documents (collectively, the “**Documents**”):

1. The Memorandum;
2. The Trust Agreement dated as of August 27, 2025 (the “**Trust Agreement**”);
3. The Master Lease Agreement dated as of October 31, 2025 (the “**Master Lease**”); and
4. That certain representation letter dated October 31, 2025 (the “**Representation Letter**”) signed on behalf of ExchangeRight, the Trust, the Manager and the Master Lessee, upon which we have relied in issuing this opinion.

In connection with rendering this opinion, we have assumed or obtained representations, which we have no reason to believe are inaccurate and, with your consent, are relying thereon that:

1. All factual representations and statements in the Documents are true and correct.
2. Each party who has executed or adopted, or will execute or adopt, the Documents had, or will have, the proper authority and capacity to do so.
3. Any documents that have been provided to us in draft form have been executed, adopted and/or filed without material modification.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 2

Based on our review of the Documents, it is our opinion that: (i) the Trust should be treated as an investment trust described in Treasury Regulations Section 301.7701-4(c)¹ that is classified as a “trust” under Treasury Regulation Section 301.7701-4(a); (ii) the Owners should be treated as “grantors” of the Trust; (iii) as “grantors,” the Owners should be treated as owning an undivided fractional interest in each of the Properties for federal income tax purposes; (iv) the Interests should not be treated as securities for purposes of Code Section 1031; (v) the Interests should not be treated as certificates of trust or beneficial interests for purposes of Code Section 1031; (vi) the Master Lease should be treated as a true lease and not a financing for federal income tax purposes; (vii) the Master Lease should be treated as a true lease and not a deemed partnership for federal income tax purposes; (viii) the discussions of the federal income tax consequences contained in the Memorandum are correct in all material respects; and (ix) certain judicially created doctrines that are described herein should not apply to change the foregoing conclusions.

Our opinion does not address, and should not be viewed as expressing any opinion concerning, whether the acquisition of an Interest will, in light of the facts and circumstances applicable to a specific purchaser of Class 1 interests, constitute an acquisition of like-kind replacement property in a transaction that qualifies for nonrecognition of gain or loss under Code Section 1031.

DISCUSSION

Code Section 1031(a)(1) provides that “[n]o gain or loss shall be recognized on the exchange of real property held for productive use in a trade or business or for investment if such real property is exchanged solely for real property of like kind which is to be held either for productive use in a trade or business or for investment.” Nonrecognition treatment does not apply, however, if the interests in the property being exchanged are, *inter alia*, regarded as interests in a partnership, securities, or certificates of trust or beneficial interests.² Code Section 1031 does not expressly address the treatment of interests in a Delaware Statutory Trust (a “*DST*”).

¹ All section references provided for herein refer to the Internal Revenue Code of 1986, as amended (the “*Code*”), and the Treasury Regulations promulgated thereunder.

² I.R.C. §§ 1031(a)(2)(C), (D), and (E) (1984) (prior to amendment by the TCJA (as hereinafter defined)). On December 22, 2017, the Tax Cuts and Jobs Act (the “*TCJA*”) was signed into law and significantly modified Code Section 1031 by limiting it to exchanges of real property not held primarily for sale. For exchanges completed after December 31, 2017, exchanges of personal property and intangible property do not qualify for a Code Section 1031 Exchange. Additionally, the TCJA eliminated specific language providing that exchanges of certain types of property (stock in trade or other property held primarily for sale, stocks, bonds, or notes, other securities, or evidences of indebtedness or interest; interests in a partnership; certificates of trust or beneficial interest, or choses in action) are excluded from Code Section 1031. Although the specific language providing for the exclusion of interests in a partnership, securities, or certificates of trust or beneficial interests has been eliminated from the statute, an analysis of these terms remains relevant to the analysis and conclusion set forth herein that the Owners should be treated as owning real property for federal income tax purposes.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 3

The Internal Revenue Service (“*IRS*”) concluded in Revenue Ruling 2004-86³ that, under the limited circumstances set forth therein, beneficial owners of a DST that, in turn, owns real estate will be treated as owning a direct interest in such real estate for purposes of the nonrecognition provisions of Code Section 1031. In order to reach this conclusion, the IRS determined that (i) the DST described therein will be treated as an investment trust under Treasury Regulation Section 301.7701-4(c) that is classified as a “trust” under Treasury Regulation Section 301.7701-4(a), and (ii) the beneficial owners of the DST are “grantors” and, as such, are treated as owning direct interests in the DST’s property for federal income tax purposes. We believe that the tax treatment of the Trust and the Owners (and the Interests that are the subject of this Offering) should be the same as the DST and its beneficial owners were treated in Revenue Ruling 2004-86 for federal income tax purposes.

I. The Trust should be treated as an investment trust described in Treasury Regulation Section 301.7701-4(c) that is classified as a “trust” under Treasury Regulation Section 301.7701-4(a)

The Trust should be classified as a “trust” under Treasury Regulations Section 301.7701-4(a) because it (i) should be recognized as an entity separate from the Owners for federal income tax purposes, and (ii) should be treated as an investment trust described in Treasury Regulation Section 301.7701-4(c).

A. The Trust should be recognized as an entity separate from the Owners for federal income tax purposes

Whether an organization is an entity separate from its owners for federal income tax purposes is a matter of federal tax law and does not depend on whether the organization is recognized as an entity under local law.⁴ Thus, an entity formed under local law is not always recognized as a separate entity for federal income tax purposes.⁵ When participants in a venture form a state law entity and avail themselves of the benefits of that entity for a valid business purpose, however, the entity generally will be recognized for federal income tax purposes.⁶

³ 2004-2 C.B. 191.

⁴ Treas. Reg. § 301.7701-1(a)(1).

⁵ Treas. Reg. § 301.7701-1(a)(3).

⁶ See *Moline Properties, Inc. v. Comm’r*, 319 U.S. 436 (1943).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 4

An entity formed under state law that acts as a mere agent of its owners will not be treated as an entity separate from its owners for federal income tax purposes. In *Commissioner v. Bollinger*,⁷ a corporation was treated as an agent of its owners where the corporation functioned merely as the nominal debtor and record title holder to mortgaged property. The shareholders entered into a written agreement providing that (i) the corporation would hold title to the property as the shareholders' nominee and agent (and not as a principal of the corporation) solely to secure financing, (ii) the shareholders had sole control and responsibility for the mortgaged property and (iii) the shareholders were the principals and owners of the property during its financing, construction and operation. The Supreme Court held that the shareholders, rather than the corporation, were the owners of the property because the relationship between the shareholders and the corporation was, in both form and substance, an agency with the shareholders as principals.

Similarly, the IRS concluded in Revenue Ruling 92-105⁸ that an Illinois land trust was not to be treated as an entity separate from its owner for federal income tax purposes. A single taxpayer created an Illinois land trust and named a domestic corporation as trustee. The taxpayer transferred legal and equitable title to real property to the trust subject to the provisions of an accompanying land trust agreement. Under the agreement, the taxpayer (i) retained exclusive control of the management, operation, rental, and sale of the real property, together with an exclusive right to the earnings and proceeds from the real property, and (ii) was required to file all tax returns, pay all taxes, and satisfy any other liabilities with respect to the real property. Under Illinois law, there is no limitation on liability of a beneficiary of an Illinois land trust. Because the trustee's only responsibility was to hold and transfer title to the property at the direction of the beneficiary, and because the beneficiary retained the direct obligation to pay liabilities and taxes related to the property, the right to manage and control the property, as well as any liability with respect to the property, the IRS concluded that the Illinois land trust could not rise to the level of an "entity" separate from the beneficial owner for federal income tax purposes.

In contrast, the IRS concluded in Revenue Ruling 2004-86 that the DST described therein is an entity that should be recognized as separate from its owners for federal income tax purposes. The IRS did so by looking to the powers, limitations and benefits that Delaware law accords to a DST and its beneficial owners. Under Delaware law, creditors of a beneficial owner in a DST may not assert claims directly against the property held by a DST; they can seek payment only from the beneficial owner itself. The property of a DST is subject to attachment and execution with respect to liabilities of the DST as if the DST were a corporation. A DST may sue or be sued. The beneficial owners of a DST are entitled to the same limitation on personal liability stemming from actions of a DST that is extended to stockholders of a corporation organized under Delaware law.

⁷ 485 U.S. 340 (1988).

⁸ 1992-2 C.B. 204.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 5

A DST may merge or consolidate with or into one or more statutory entities or other business entities. Lastly, a DST can be formed for investment purposes. These powers and privileges afforded to a DST and the beneficial owners thereof, as well as the purpose of a DST and the limited powers provided by the trust agreement (discussed below), led the IRS to conclude that a DST is an entity separate from its owners for federal income tax purposes.⁹

Based on the authorities discussed above, the Trust should be recognized as an entity separate from the Owners. The Trust should not be viewed merely as an agent of the Owners because, unlike the trusts in *Bollinger* and Revenue Ruling 92-105, the Owners have no right or power to direct in any manner the actions of the Trust, the Master Lessee, the Sponsor, or the Manager in connection with the management or operation of the Trust or the Properties.¹⁰ Specifically, the Owners have no voting rights, including as to whether or not the Properties are sold nor any right or power to (i) contribute additional assets to the Trust; (ii) cause the Trust to negotiate or re-negotiate loans or leases; or (iii) cause the Trust to sell all or any portion of its assets and re-invest the proceeds of such sale or sales.¹¹

These requirements and prohibitions all evidence an intent that the Trust will engage in activities on its own behalf rather than as an agent of the Owners. Lastly, because the Trust is organized as a DST, the Owners may avail themselves only of the limited powers and privileges afforded to beneficial owners under Delaware law. Thus, the Trust (as a DST) and the Owners have substantially all of the same powers, limitations and benefits as the trust that the IRS found to constitute an entity separate from its owners for federal income tax purposes in Revenue Ruling 2004-86. Accordingly, the Trust should be recognized, for federal income tax purposes, as an entity separate from the Owners.

B. The Trust should be treated as an investment trust described in Treasury Regulation Section 301.7701-4(c)

A trust arrangement generally will be classified as a “trust” rather than another form of business entity for federal income tax purposes if it can be shown that the purpose of the arrangement is to vest in trustees responsibility for the protection and conservation of property for beneficiaries who cannot share in the discharge of this responsibility and, therefore, are not associates in a joint enterprise for the conduct of a business for profit.¹² A trust with a single class of ownership interests that provides no power to vary the investments of the trust is classified as an investment

⁹ Citing to Del. Code Ann. Title 12, §§ 3801-3824.

¹⁰ See Trust Agreement at § 6.4.

¹¹ *Id.*

¹² Treas. Reg. § 301.7701-4(a).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 6

trust that is treated as a “trust” for federal income tax purposes.¹³ A trust with multiple classes of ownership interests that otherwise meets the description of an investment trust also will be classified as a “trust” for federal income tax purposes if the existence of multiple classes of ownership interests is incidental to the purpose of facilitating the direct investment in the trust’s assets.¹⁴ As discussed in greater detail below, the Trust should be treated as an investment trust described in Treasury Regulation Section 301.7701-4(c).

1. No power exists under the Trust Agreement for the Trustee or Manager to vary the investments of the Trust

The courts and the IRS have considered the extent to which the powers granted under a trust arrangement exceed those required simply to protect and conserve property for the benefit of the trust owners. Two opinions issued by the United States Court of Appeals for the Second Circuit (the “*Second Circuit*”) on the same day generally are viewed as the leading judicial guidance on the distinction between a trust arrangement that meets the description of an investment trust and a trust arrangement granting the power to vary the investments held therein. Additionally, the IRS has issued several revenue rulings, the most relevant being Revenue Ruling 2004-86, that distinguish the limited arrangements that would constitute an investment trust from a broader grant of powers that prohibits classification as a “trust.” In all material respects, we believe that the powers granted to the Trustee and Manager in the Trust Agreement are consistent with the limited scope of powers applicable to an investment trust described in Treasury Regulation Section 301.7701-4(c).

a. Authorities

(i) Case Law

In *Commissioner v. Chase National Bank*,¹⁵ the court addressed whether a state law trust arrangement should be classified as a “trust” for federal income tax purposes. In that case, the depositor purchased shares of the common stock of several corporations and made up “units” consisting of a number of shares of the common stock of each corporation. The “units” were deposited in a trust, and then certificates in the trust were sold to investors.

The trustee was vested with all of the rights of ownership of the shares except that the depositor controlled the voting rights of the shares and the trust instrument governed and restricted the

¹³ Treas. Reg. § 301.7701-4(c)(1).

¹⁴ *Id.*

¹⁵ 122 F. 2d 540 (2d Cir. 1941).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 7

disposal of the shares. Under the terms of the trust instrument, property deposited into the trust was held until some disposition of it was made consistent with the terms of the trust instrument. Further, distributions of currently available funds were required. No purchases were to be made by the trustee by way of reinvestment of funds or otherwise. The Second Circuit found that the trust instrument “prevented the trusts from being, or becoming, more than what are sometimes called strict investment trusts.” The court concluded that the trust required “that the trust property was to be held for investment and not to be used as capital in the transaction of business for profit like a corporation organized for such a purpose. This distinction is what makes the difference tax-wise.”¹⁶

In another opinion released on the same day as *Chase National Bank*, the Second Circuit reached a different result. In *Commissioner v. North American Bond Trust*,¹⁷ the court recognized that, although the trust arrangement in *North American Bond Trust* was similar to the trust in *Chase National Bank*, the trust instrument in *North American Bond Trust* was slightly different because it provided the depositor with the power “in effect to change the investment of certificate holders at his discretion.”¹⁸ In making up new units, the depositor was not confined to the same bonds he had selected for the previous units. Additionally, the bonds of all units constituted a single pool in which each certificate holder shared according to his proportion of all the certificates issued. As a result, the money from new investors could be used to purchase new bond issues that would in turn reduce the existing certificate holders’ interests in the old bond issues. The depositor thus could take advantage of market variations in a manner that could improve the investment of the original investors through dilution of the original investment. Based on these facts, the court held that the depositor “had power, though a limited power, to vary the existing investments of all certificate holders at will”¹⁹ and, accordingly, that the trust was treated as taxable as an association rather than as a fixed investment trust.

(ii) Revenue Ruling 2004-86

The analyses and conclusions of the IRS in Revenue Ruling 2004-86 are consistent with the Second Circuit’s holdings in the cases discussed above. Revenue Ruling 2004-86 considered the situation in which an individual, A, borrowed money from an unrelated lender, BK, and signed a 10-year note bearing adequate stated interest. A then used the proceeds of the loan to purchase Blackacre, which was rental real property. The note was secured by Blackacre and nonrecourse

¹⁶ *Id.* at 543.

¹⁷ 122 F.2d 545 (2d Cir. 1941), *cert. denied*, 314 U.S. 701 (1942).

¹⁸ *Id.* at 546.

¹⁹ *Id.*

ExchangeRight Real Estate, LLC

October 31, 2025

Page 8

to A. Immediately thereafter, A entered into a net lease with Z for a term of 10 years.²⁰ Under the terms of the lease, Z was required to pay all taxes, assessments, fees, or other charges imposed on Blackacre by federal, state, or local authorities. In addition, Z was required to pay all insurance, maintenance, ordinary repairs, and utilities relating to Blackacre. Z was free to sublease Blackacre to anyone Z chose.

The rent paid by Z to A was a fixed amount that could be adjusted by a formula described in the lease agreement that was based upon a fixed rate or an objective index, such as an escalator clause based upon the Consumer Price Index, but adjustment to the rate or index was not within the control of any of the parties to the lease. The rent paid by Z was not contingent upon Z's ability to lease the property or on Z's gross sales or net profits derived from Blackacre.²¹

On the same date that A acquired Blackacre and leased it to Z, A also formed a Delaware statutory trust under Delaware law to which A contributed fee title to Blackacre (after entering into the loan with BK and the lease with Z). Upon contribution, the trust assumed A's rights and obligations under the note with BK and the lease with Z. In accordance with the nonrecourse nature of the note, neither the trust nor any of its beneficial owners were personally liable to BK on the note, which continued to be secured by Blackacre. The trust agreement provided that interests in the trust were freely transferable. However, interests in the trust were not publicly traded on an established securities market. The trust would terminate on the earlier of 10 years from the date of its creation or the disposition of Blackacre, but would not terminate on the bankruptcy, death or incapacity of any owner or on the transfer of any right, title or interest of the beneficial owners of the trust.

The trust agreement authorized the trustee to engage in only those activities central to the collection, investment, and distribution of income arising from Blackacre. The trust agreement authorized the trustee to use trust funds to establish a reasonable reserve to pay expenses incurred in connection with holding Blackacre. The trustee was required to distribute on a quarterly basis all available cash less such reserves to the beneficial owners in proportion to their respective interests in the trust. The trustee was required to invest cash received from Blackacre between each quarterly distribution and all cash reserves in short-term obligations, i.e., maturing prior to the next quarterly distribution date, of (or guaranteed by) the United States or any agency or

²⁰ The ruling does not indicate whether A is related to Z, but given that the ruling states that Z is not related to B, C, or the trustee (i.e., persons described in the ruling other than A), it is our view that it can be assumed that Z is related to A in the ruling.

²¹ Although the lease from A to Z is described in Rev. Rul. 2004-86 as a "net" lease, it is not clear whether the lessor or the lessee would be required to make capital improvements or major repairs to the property. Thus, the lease might be "double net," in which the lessor remains liable for certain capital improvements and repairs (such as repairs to the roof) instead of a "triple net" lease in which the lessee is responsible for the property in all events.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 9

instrumentality thereof, and in certificates of deposit of any bank or trust company having a minimum stated surplus and capital. The trustee was required to hold such obligations until maturity. In addition to the right to a quarterly distribution of cash, each beneficial owner had the right to an in-kind distribution of its proportionate share of the property of the trust.

The trust agreement provided that the trustee's activities were limited to the collection, investment and distribution of income arising from Blackacre. The trustee could not exchange Blackacre for other property, purchase assets other than the short-term investments described above, or accept additional contributions of assets (including money) to the trust. The trustee could not renegotiate the terms of the debt used to acquire Blackacre and could not renegotiate the lease with Z or enter into leases with tenants other than Z, except in the case of Z's bankruptcy or insolvency.²²

In addition, the trustee could make only minor non-structural modifications to Blackacre, unless otherwise required by law. The trust agreement further provided that the trustee could engage in ministerial activities to the extent required to maintain and operate the trust under local law. In addition, the trustee could not enter into a written agreement with A or indicate to third parties that the trustee (or the trust) is A's agent.

Immediately after A contributed its interest in Blackacre to the trust, it conveyed its entire interest in the trust to individuals B and C in exchange for interests in Whiteacre and Greenacre, respectively. B and C were not related to BK or Z (the lessee of Blackacre) and neither the trustee nor the trust was an agent of B or C. B and C desired to treat their acquired interests in the trust as replacement property pursuant to a Code Section 1031 like-kind exchange for their relinquished properties, Whiteacre and Greenacre, respectively.

Neither the trust nor the trustee entered into a written agreement with A, B or C creating an agency relationship. In dealings with third parties, neither the trust nor the trustee was represented as an agent of A, B, or C.

To determine whether the trust arrangement qualified as an investment trust classified as a "trust" for federal income tax purposes, the IRS examined whether the trust agreement granted the power to vary the investment of the trust's beneficial interest holders. Because the duration of the trust was the same as the duration of the loan and the lease that were assumed by the trust at the time of its formation, the financing and leasing arrangements of the trust and its assets (Blackacre) were fixed for the entire life of the trust. Furthermore, the trustee was permitted to invest only in short-

²² Revenue Ruling 2004-86, in its statement of facts, expressly provides that "[t]he trustee may not renegotiate the terms of the debt used to acquire [the Property] and may not renegotiate the lease with [the Tenant] or enter into leases with tenants other than [the Tenant], except in the case of [the Tenant's] bankruptcy or insolvency." We believe the correct interpretation of this provision is that the exception applies to renegotiating the financing as well as new leases.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 10

term obligations that matured prior to the next quarterly distribution date and was required to hold these obligations until maturity. Because the trust agreement required that (i) any cash from Blackacre, and any cash earned on short-term obligations held by the trust between distribution dates, be distributed quarterly, (ii) no cash could be contributed to the trust by the beneficiaries, (iii) the trust could not borrow any additional money, and (iv) the disposition of Blackacre would result in the termination of the trust, the IRS concluded that there was no possibility of the reinvestment of money under the trust agreement.

In the Revenue Ruling's analysis, the IRS emphasized that the trustee's activities were limited to the collection and distribution of income. The trustee could not exchange Blackacre for other property, purchase assets other than short-term investments or accept any additional contributions of assets (including money) for the trust. The trustee could not renegotiate the terms of the debt used to acquire Blackacre and could not renegotiate the lease with Z or enter into leases with tenants other than Z except in the case of Z's bankruptcy or insolvency. In addition, the trustee could make only minor non-structural modifications to the property except to the extent required by law. The IRS observed that the trustee had none of the powers that would indicate an intent to carry on a profit-making business. Accordingly, the IRS concluded that the trustee had no power to vary the investment of the beneficiaries of the trust, which is consistent with the description of an investment trust classified as a "trust" for federal income tax purposes.

The IRS expressly warned in Revenue Ruling 2004-86, that the trust arrangement would not have qualified as an investment trust, and therefore would not have been classified as a "trust," if the trustee had been given the power to do one or more of the following:

- dispose of Blackacre and acquire new property;
- renegotiate the lease with Z or enter into leases with tenants other than Z (except in the case of Z's bankruptcy or insolvency);
- renegotiate or refinance the obligation used to purchase Blackacre (except in the case of Z's bankruptcy or insolvency);
- receive capital contributions from the investors;
- invest cash received to profit from market fluctuations; or
- make more than minor non-structural modifications to Blackacre not required by law.

Thus, it is not sufficient that the trustee never takes any of the actions described above - the trustee must lack the power to undertake those actions. This aspect of Revenue Ruling 2004-86 is consistent with the case law in which a trust is classified in accordance with the powers that the trustee has under the trust agreement without regard to what actions, if any, the trustee has performed other than to conserve and protect the property of the trust.

ExchangeRight Real Estate, LLC
October 31, 2025
Page 11

(iii) Other Revenue Rulings

The IRS also addressed the classification of trust arrangements in several other revenue rulings. Revenue Ruling 75-192²³ involved a trust agreement that required the trustee to invest cash on hand between quarterly distribution dates only in specified short-term obligations maturing prior to the next distribution date and to hold such obligations until maturity. The IRS concluded that, because the restrictions on the types of permitted investments limited the trustee to a fixed return similar to that earned on a bank account, and eliminated any opportunity to profit from market fluctuations, the power to invest in such assets was not a power to vary the trust's investments.

Similarly, the IRS classified the trust arrangement described in Revenue Ruling 79-77,²⁴ which was formed to hold real property, as a "trust" for federal income tax purposes. The beneficiaries were required to approve all agreements entered into by the trustee and they were personally liable for the debts of the trust. The beneficiaries directed the trustee to enter into a 20-year lease that required the tenant to pay all taxes, assessments, fees or other charges imposed on the property by federal, state or local authorities. In addition, the tenant paid all insurance, maintenance, repairs and utilities relating to the property. The trustee could determine whether to allow the tenant to make minor non-structural alterations to the real estate, but only if the alterations would protect and conserve the property or were required by law. The trustee was empowered to institute legal or equitable actions to enforce any provisions of the lease.

The trust would terminate on the sale of substantially all of its assets or upon unanimous agreement of the beneficiaries. Based upon the above, the IRS classified the trust arrangement described in Revenue Ruling 79-77 as a "trust" for federal income tax purposes.

In contrast, the IRS concluded that the trust arrangement described in Revenue Ruling 78-371²⁵ was classified as a business entity rather than a "trust." Unlike the trust arrangement described in Revenue Ruling 79-77 that restricted the trustee to dealing with a single piece of property subject to a net lease, the trust arrangement in Revenue Ruling 78-371 expressly authorized the trustees to purchase and sell contiguous or adjacent real estate, to accept or reject certain contributions of contiguous or adjacent real estate, to raze or erect any building or structure, to make any improvements to the land contributed to the trust, to borrow money and to mortgage and lease the trust property. The IRS concluded in Revenue Ruling 78-371 that the trustee's power to engage in extensive real estate operations and to reinvest the sales proceeds in financial products indicated

²³ 1975-1 C.B. 384.

²⁴ 1979-1 C.B. 448.

²⁵ 1978-2 C.B. 344.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 12

that the trust arrangement was not formed merely to protect and conserve the trust's property and ruled that the trust was taxable as a business entity treated as a corporation.

The existence of a power to sell trust assets does not always give rise to a power to vary the trust's investments. The courts and the IRS have concluded that even though a trustee may possess the power to sell trust assets under certain limited circumstances, such a trust arrangement can still qualify as an investment trust classified for federal income tax purposes as a "trust."²⁶ These authorities have clarified that, instead of the mere power to sell trust assets, it is the ability of the trustee to substitute new investments in order to take advantage of variations in the market that prohibit a trust arrangement from being treated as an investment trust classified as a "trust" for federal income tax purposes.

b. The Trust Agreement

The powers and authority granted to the Trustee, Manager, Owners, and the Trust in the Trust Agreement fall within the limited scope of the powers and authority that may be exercised with respect to an "investment trust." From and after the issuance of the Conversion Notice (as defined in the Trust Agreement), the Trust Agreement authorizes the Manager, as agent of the Trust, to take each of the following actions necessary to conserve and protect the Trust Estate: (1) acquire title to the Properties subject to the tenant leases; (2) enter into the Master Lease with the Master Lessee; (3) collect rents from the Properties, if any, and make distributions thereof, if any; (4) enter into any agreements with qualified intermediaries for purposes of enabling an Owner's acquisition of an Interest pursuant to Code Section 1031; (5) notify the relevant parties of any defaults under the Documents; and (6) solely to the extent necessitated by the bankruptcy or insolvency of the Master Lessee, enter into a new lease or renegotiate or refinance debt on the Properties.²⁷

The Trust Agreement expressly denies the Trustee, the Manager, the Owners and/or the Trust the enumerated powers that are prohibited under Revenue Ruling 2004-86 (i.e., any power and authority specifically outlined by the IRS as impermissible in Revenue Ruling 2004-86 in order for the trust arrangement to qualify as an investment trust described in Treasury Regulation Section 301.7701-4(c)).²⁸ Moreover, the Trust Agreement expressly denies the Trustee, the Manager, the

²⁶ See *Comm'r v. North American Bond Trust*, 122 F.2d 545 (2d Cir. 1941), *cert denied* 314 U.S. 701 (1941); *Pennsylvania Co. for Insurances on Lives and Granting Annuities v. United States*, 146 F.2d 392 (3d Cir. 1944). See also Rev. Rul. 78-149, 1978-1 C.B. 448; Rev. Rul. 73-460, 1973-2 C.B. 425.

²⁷ See Trust Agreement § 5.3(b).

²⁸ See Trust Agreement § 3.3(c)(1)-(8). The facts in Revenue Ruling 2004-86 state that Z and the trustee in the ruling are not related. The analysis in the revenue ruling, however, does not discuss the tax considerations underlying the relationship of the various parties. Therefore, nothing in the analysis in the revenue ruling appears to require that the Manager and the Master Lessee be unrelated parties. We are of the opinion that the relation of the Manager and the

ExchangeRight Real Estate, LLC

October 31, 2025

Page 13

Owners and/or the Trust any power and authority to take any other action which would cause the Trust to be treated as a business entity for federal income tax purposes if the effect would be that such action or actions would constitute a power under the Trust Agreement to “vary the investment of the certificate holders” under Treasury Regulation Section 301.7701-4(c)(1) and Revenue Ruling 2004-86.²⁹ Furthermore, the Trust Agreement provides that none of the Trustee, the Manager, the Owners and the Trust shall have any power or authority to undertake any actions that are not permitted to be undertaken by an entity that is treated as a “trust” within the meaning of Treasury Regulation Section 301.7701-4 and not treated as a “business entity” within the meaning of Treasury Regulation Section 301.7701-3.³⁰

Although distinctions exist between the Trust Agreement and other related arrangements and the trust and other related arrangements described in Revenue Ruling 2004-86, we believe these distinctions are not material. These distinctions include, but are not limited, to the following, which we view as those distinctions necessitating discussion and analysis: (i) the conversion of the Trust for tax purposes by the Sponsor from a “disregarded entity” for federal income tax purposes into an investment trust prior to admission of the Owners; (ii) the ongoing role of the Manager, which is wholly owned by the Sponsor, but with powers limited to those permitted to be exercised by the Trustee; (iii) the potential conversion of the Trust into a Delaware limited liability company that would constitute a “partnership” for federal income tax purposes as a result of a LLC Conversion; (iv) the Trust’s acceptance of multiple contributions from purchasers of Class 1 interests over time, rather than through a single contribution; (v) the fact that the Sponsor may retain a beneficial interest in the Trust during the period of the Offering; (vi) the fact that the Trust Agreement empowers the Manager (and only the Manager) to determine in its sole discretion when a Disposition of the Properties would be reasonable using its commercially reasonable business judgment and, thus, when the Properties shall be sold; and (vii) the obligation of the Trust to pay the Capital Expenses (as defined in the Master Lease) of the Properties, which includes capital expenditures with a term that exceeds the term of the Master Lease, and the right of the Master Lessee to use reserves to pay such Capital Expenses. We believe that, like the material provisions discussed above, these provisions are consistent with, rather than contrary to, the analysis in Revenue Ruling 2004-86 for the reasons set forth below.

Master Lessee should not serve to constructively transfer or impute prohibited powers to the Manager as the relationship of the parties appears irrelevant under the revenue ruling and the Trust Agreement expressly limits the powers of the Manager.

²⁹ See Trust Agreement § 3.3(c)(9).

³⁰ See Trust Agreement § 3.3(c) (flush language). It should be noted that unlike the trust in Revenue Ruling 2004-86, the Trust has not borrowed against or encumbered any of the Properties. Although ExchangeRight has, in fact, received a loan from Ameris Bank and pledged the Class 2 interests to secure such loan, the Trust is not a borrower under, or a guarantor of, the loan, and none of the Properties are encumbered by the loan.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 14

First, prior to the conversion of the Trust by the Sponsor into an investment trust, the Trust is not recognized as an entity separate from the Sponsor for federal income tax purposes. Accordingly, the conversion feature of the Trust from a disregarded entity to a fixed investment trust for tax purposes, prior to admission of the Owners, should be viewed on its own as a mere formation of the Trust as a fixed investment trust in a manner that is not inconsistent with the analysis under Revenue Ruling 2004-86.

Second, the ongoing role of the Manager, which is wholly owned by the Sponsor, should not be viewed as inconsistent with the analysis in Revenue Ruling 2004-86 because the Manager's powers are limited to those permitted to be exercised by the Trustee. Like the Trustee, the Manager's power is limited to the powers and authority that may be exercised by a trustee of a fixed investment trust.

Third, the potential conversion of the Trust into a Delaware limited liability company that would constitute a "partnership" for federal income tax purposes as a result of a LLC Conversion should not be viewed as inconsistent with the analysis in Revenue Ruling 2004-86. Although no direct authority exists regarding the power to make a LLC Conversion in connection with a fixed investment trust, we believe that providing this mechanism as used in the Trust Agreement is consistent with treating the Trust as a fixed investment trust for federal income tax purposes. The purpose of this mechanism is to provide a means to preserve and protect the Trust Estate for the benefit of the Owners in certain limited circumstances where the Manager, in its discretion, determines that continuing the trust structure would be significantly detrimental to the Owners. Moreover, ExchangeRight, the Trust, the Master Lessee, and the Manager have represented that: (i) no LLC Conversion is currently intended or anticipated; (ii) to their knowledge, an event which would cause a LLC Conversion with respect to any of the assets of the Trust is not expected; and (iii) they believe that the occurrence of such an event would be rare and unusual.

Fourth, the Trust's acceptance of multiple contributions from purchasers of Class 1 interests over time, rather than through a single contribution, should not be viewed as raising additional capital (which is prohibited under Revenue Ruling 2004-86). Both the term and the amount of the Offering were established at the time the Trust Agreement was made. The majority of the cash paid for the purchase of the Class 1 interests (all at the same price) will be distributed to the Sponsor to redeem its Class 2 interests. Because the terms of the Offering are fixed and the contributed cash will be used to redeem the Sponsor, the additional contributions over the period of the Offering do not enable the Trust to raise additional capital or benefit from market fluctuations over time. The fact that 100% of the Interests will be sold in multiple closings rather than in a single closing is driven by practical considerations of the Offering and does not provide a basis for distinguishing a trust from a partnership.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 15

Fifth, the fact that the Sponsor may retain a beneficial interest in the Trust during the period of the Offering should not result in the Trust being recharacterized as a partnership because such ownership is driven merely by practical considerations of the Offering and would be for a limited period of time, specified in advance (i.e., any such ownership will be temporary). The Sponsor has an absolute obligation to dispose of all of its Class 2 interests within one year (or, if an extension is exercised at the discretion of the Manager, one year and six months) of the date of the first sale of Class 1 interests. At such time, the Sponsor must divest itself of any remaining outstanding Class 2 interests such that neither the Sponsor nor any of its affiliates shall own any such interests after such date. Ownership during a temporary period solely for the purpose of allowing an orderly sale of the Interests in the Trust does not create a potential for differing interests in the Properties, since the Class 2 interests otherwise have identical rights to the Class 1 interests after the issuance of the Conversion Notice (as defined in the Trust Agreement). By analogy to tenancy in common offerings, such a temporary period of ownership also should not justify a conclusion here that the Trust should be classified as a partnership rather than as an investment trust.³¹

Since no Class 2 interests may be reissued, and after the period of the Offering, the Owners will be unrelated to the Master Lessee and the Manager, the Trust arrangement should not be classified as a partnership arrangement, but instead as an investment trust.

Sixth, the discretionary power granted under the Trust Agreement to the Manager (and only the Manager) to determine when it is appropriate to make a Disposition of the Properties should not be viewed as a power to vary the Trust's investments. Immediately after a disposition of one or more of the Properties, the disposition proceeds must be distributed to the Owners.³² At the time the last of the Properties is disposed of, the Trust will terminate pursuant to Section 9.1 of the Trust Agreement. Neither the Trustee nor the Manager has the power to purchase replacement investments with the proceeds from the disposition of any or all of the Properties.³³ Moreover, this discretion afforded to the Manager is subject to the overall limitation of the Manager having no power to engage on behalf of the Trust in activities in which the Trust could not engage directly. The disposition of the Properties under these circumstances is consistent with the objective of

³¹ In tenancy in common offerings, sponsors and their tax advisors have gotten comfortable with allowing the sponsor to own tenant-in-common interests in the property at the same time that the sponsor or its affiliates is acting as a master tenant, because Revenue Procedure 2002-22, 2002-1 C.B. 733, appears to explicitly sanction a temporary overlap. Revenue Procedure 2002-22 is inapplicable to DST offerings, however. In Revenue Ruling 2004-86, the sponsor entered into the master lease and borrowed the funds necessary to acquire the property prior to transferring the property to the DST and sold 100% of the beneficial interests in the DST to unrelated persons in a single transaction.

³² See Trust Agreement at §§ 9.1 & 9.3.

³³ See Trust Agreement at §§ 3.3(c) & 9.1.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 16

achieving an attractive investment return on the assets comprising the initial trust estate when the Owners acquired their interest therein. Because the disposition proceeds cannot be reinvested by the Trustee or the Manager, the Trust Agreement does not confer the power to “better” the investments in the Trust by taking advantage of market variations. The assets that can be held by the Trust are restricted to the Properties and the cash reserves that accumulate between monthly distributions.³⁴ All cash reserves will be invested only in the types of debt instruments expressly permitted under Revenue Ruling 2004-86.³⁵ Accordingly, providing the Manager with the discretion concerning the timing and amount of the disposition of the Properties, or to decide that one or more of the Properties should be disposed of and the others retained, should not prevent the Trust from being treated as an investment trust that is classified as a “trust” for federal income tax purposes.

Seventh, we have considered the obligation of the Trust to pay the Capital Expenses (as defined in the Master Lease) of the Properties, which includes capital expenditures with a term that exceeds the term of the Master Lease, and the right of the Master Lessee to use reserves to pay such Capital Expenses. It is unclear whether the lease in Revenue Ruling 2004-86 was a triple net lease under which the tenant would have been responsible for all capital improvements, or a double net lease under which the lessor would have remained responsible for certain repairs, such as repairs to the roof. We have considered the issue and believe that the Trust’s obligation to pay for capital expenses with a life or term that exceeds the term of the Master Lease is not inconsistent with a trustee’s duty to conserve and protect trust property and should not be indicative of a partnership or constitute the varying of the Trust’s investment. ExchangeRight, the Trust, the Master Lessee, and the Manager have represented that to their knowledge, none of the Trust, the Master Lessee nor any of the sub-tenants at the Properties plans to construct more than minor, non-structural improvements, additions or alterations to the Properties, and they believe and expect that capital expenditures will not be needed for improvements, additions or alterations to each of the Properties (taking into account their age and condition) other than minor, non-structural improvements, additions or alterations.

Moreover, the Trust is not responsible for any Capital Expenses or, otherwise, for making or performing (or incurring any cost, expense or expenditure for the making or performing of) any repairs, replacements or improvements to, for and/or in respect of any of the Properties that the Trust determines (in its sole discretion) it is not permitted to be responsible for, make, perform and/or incur pursuant to the terms of the Trust Agreement. We do not view the allocation of responsibilities to the Trust described above as risk sharing indicative of a partnership; rather, such allocation is consistent with normal leasing practice and is reasonable in light of the fact that the

³⁴ See Trust Agreement at §§ 3.3(c) & 7.1.

³⁵ See Trust Agreement at § 7.1.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 17

Trust will derive substantial benefit from any expenditures with a life or term that exceeds the term of the Master Lease. Moreover, we have taken into account the fact that under Section 8.3 of the Master Lease, the Master Lessee is entitled to utilize funds in reserves to pay for such Capital Expenses. Revenue Ruling 2004-86 provided that in the facts therein, under the trust agreement, the trustee was authorized to establish a reasonable reserve for expenses associated with holding Blackacre that may be payable out of trust funds. It should make no difference that the Master Lessee is able to access such reserves to pay for those expenses that are the responsibility of the Trust. Therefore, we do not believe the above is inconsistent with the intent and purpose of Revenue Ruling 2004-86.

Because none of the above distinctions permits the Trustee or Manager to vary the investments of the Trust in a manner that results in the Owners improving their investment results based on variations in the market, we believe they are consistent with treating the Trust as a fixed investment trust.

c. The Master Lease

Under the terms of the Master Lease, the Master Lessee does not have the right to make other than minor, non-structural alterations, additions or improvements to the Properties unless otherwise required by law or permitted at the time that the Trust took title to the Properties under the leases assigned to the Master Lessee.³⁶ ExchangeRight, the Trust, the Manager and the Master Lessee have represented that to their knowledge, none of the Trust, the Master Lessee nor any of the sub-tenants at the Properties plan to construct more than minor, non-structural improvements, additions or alterations to the Properties, and they believe and expect that capital expenditures will not be needed for improvements, additions or alterations to each of the Properties (taking into account their age and condition) other than minor, non-structural improvements, additions or alterations. ExchangeRight, the Trust, the Master Lessee, and the Manager have represented that if a sub-tenant intends to make other than a minor, non-structural improvement, addition or alteration to any of the Properties (unless required by law), then either: (i) the Master Lessee will cause such sub-tenant to agree, upon the expiration or earlier termination of the sub-lease, to remove the improvement, addition or alteration so as to restore the Properties to the condition the Properties would have been in had such improvement, addition or alteration never been made, or (ii) the Manager will make a LLC Conversion pursuant to the terms of the Trust Agreement.

Further, we believe that the limited alteration rights provided to the Master Lessee under the Master Lease should not be attributed to the Trustee or the Manager and, therefore, are not inconsistent with treating the Trust as an investment trust for federal income tax purposes. The terms of the Master Lease do not provide the Trustee or the Manager with the unfettered power to make

³⁶ See Master Lease § 8.5.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 18

structural modifications to the Properties; such alteration rights are held solely by the Master Lessee in the limited circumstances noted above. Moreover, the Trust is not responsible for any capital expenses or, otherwise, for making or performing (or incurring any cost, expense or expenditure for the making or performing of) any repairs, replacements or improvements to, for and/or in respect of any of the Properties that the Trust determines (in its sole discretion) it is not permitted to be responsible for, make, perform and/or incur pursuant to the terms of the Trust Agreement.

Although not free from doubt, we believe that the alteration rights provided to the Master Lessee under the Master Lease, and the treatment of the sub-leases as discussed above, are consistent with treating the Trust as a fixed investment trust, the intent and purpose of Revenue Ruling 2004-86, and the underlying cases and rulings governing whether a trustee possesses an impermissible right to vary the investments of a trust.

2. Although the Trust has more than one class of ownership interests, the Trust nonetheless should be described as an investment trust classified as a “trust” because it was formed to facilitate direct investment in the Properties and the repurchase of the Class 2 interests is incidental to that purpose

The oft-cited principle that the economic substance of a transaction, and not its mere form, governs the tax treatment of a given transaction is a well-established doctrine of federal tax law.³⁷ Treasury Regulation Section 301.7701-4(c) (and the examples therein) contemplate that certain additional classes of trust interests will not defeat “trust” classification for federal income tax purposes by providing that a trust arrangement that otherwise would be treated as an investment trust absent multiple classes of ownership interests nonetheless will be so treated if the multiple classes of ownership interests are incidental to the investment purpose of the trust.³⁸ The Treasury Regulation illustrates by example the type of different ownership rights that would be merely incidental to a trust’s investment purpose.

³⁷ See, e.g., *Gregory v. Helvering*, 293 U.S. 465, 467, 470 (1935) (holding that “the reorganization attempted was without substance and must be disregarded”); *Comm’r v. Court Holding Co.*, 324 U.S. 331, 334 (1945) (stating that “the incidence of taxation depends on the substance of a transaction. The tax consequences which arise from gains from a sale of property are not finally to be determined solely by the means employed to transfer legal title.”); *Weiss v. Steam*, 265 U.S. 242, 254 (1924) (stating that the court “must regard matters of substance and not mere form”); *Higgins v. Smith*, 308 U.S. 473, 477 (1940) (holding that the Government may look at “actualities” and disregard the form of a transaction if it is “unreal” or a “sham”).

³⁸ Treas. Reg. § 301.7701-4(c).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 19

The first example illustrates a circumstance whereby the existence of two classes of ownership interests in a trust is incidental to the trust's purpose of facilitating direct investment in a portfolio of residential mortgages.³⁹ The originator of the mortgage portfolio transferred the mortgages to a bank under a trust agreement, retained the class D beneficial ownership interest in the trust and sold to investors the class C beneficial ownership interests in the trust. The two classes are identical except that, in the event of a default on the underlying mortgages, the payment rights of the class D interests are subordinate to the rights of the class C certificate holders. The example observes that the interests of the beneficial holders in the aggregate, however, is substantially equivalent to an undivided ownership interest in the mortgage pool, coupled with a limited recourse guarantee running from the originator to the class C beneficial holders. Thus, the difference in rights between the class D and class C beneficial ownership interests is present simply to facilitate the investment by the class C beneficial owners in the trust's assets.

Likewise, the second example illustrates a circumstance where multiple classes of ownership interests in a trust merely facilitate direct investment in the assets held by the trust.⁴⁰ Public investors purchased trust certificates evidencing the right to receive a particular payment with respect to a specific bond that is included in a bond portfolio held by the trust. Because the purchase of stripped interests in bonds and coupons are treated as separate bonds for federal income tax purposes, the example states that the multiple classes simply provide each certificate holder with a direct interest in what would be treated as a separate bond. Because the certificate holders acquired an interest in the trust's assets that was similar to what the certificate holder could acquire by direct investment, the multiple classes of ownership interest would not prevent the trust arrangement from being treated as a trust rather than a business entity for federal income tax purposes.

It is possible that the IRS may assert that the existence and redemption of the Sponsor's Class 2 interests give rise to impermissible multiple classes of ownership interests.⁴¹ Consistent with the facts in the examples discussed above, however, we believe that the existence of the Class 2 interests and the redemption right of the Sponsor with respect to such Class 2 interests also should be treated as existing simply to facilitate the Owners' investment in the Properties through the Class 1 beneficial interests.

Immediately upon the issuance of the Conversion Notice, which must occur prior to an Owner investing in the Trust, the rights of a Class 2 beneficial owner (other than the redemption right)

³⁹ See Treas. Reg. § 301.7701-4(c)(2), Example 2.

⁴⁰ See Treas. Reg. § 301.7701-4(c)(2), Example 4.

⁴¹ See Trust Agreement § 6.5.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 20

will be identical to the rights of the Class 1 beneficial owners.⁴² The redemption simply replaces the Sponsor's pro rata ownership interest in the Trust and its underlying assets with that of the Owners. This same result could be accomplished by either the Sponsor selling directly to the Owners its Class 2 beneficial interest or the Sponsor selling to the Owners a direct interest in the Properties followed by the Owners' contribution of the Properties to the Trust. Because under either scenario the result is the same, and in neither situation is there any variation in the underlying assets owned by the Trust, we believe that the formal mechanism by which the Sponsor's interest in the Properties is transferred to the Class 1 beneficial owners should not affect the tax consequences of the underlying transaction.

This analysis is consistent with the IRS statement in Revenue Ruling 2004-86 that its conclusions would have been the same regardless of whether the trust property (Blackacre) had been sold directly to B and C, and then contributed to the trust or, as in the facts in the ruling, contributed to the trust followed by a sale of an interest in the trust to B and C. The rights of the Sponsor with respect to the underlying assets in the Trust, i.e., the Properties, are no different vis-à-vis a Class 1 beneficial owner for as long as the Sponsor retains any Class 2 interests.

The use of this formal mechanism of redemption is the economic equivalent of the Owners purchasing a direct interest in the Properties from the Sponsor and then contributing the purchased interests in the Properties to the Trust. Under these circumstances, it is our view that no impermissible multiple classes of ownership interests in the Trust should exist.

Based on the foregoing discussion, the Trust (i) should be recognized as an entity separate from the Owners for federal income tax purposes, and (ii) should be treated as an investment trust described in Treasury Regulation Section 301.7701-4(c). As a result, the Trust should be classified as a "trust" under Treasury Regulation Section 301.7701-4(a).

II. The Owners should be treated as "grantors" of the Trust

A "grantor" of a trust includes any person to the extent such person either creates a trust or directly or indirectly makes a gratuitous transfer of property, including cash, to a trust.⁴³ A gratuitous transfer to a trust includes a transfer of cash to the trust in exchange solely for an interest in the trust.⁴⁴ The term "grantor" also includes any person who acquires an interest in a trust from a

⁴² See Trust Agreement §§ 6.3 and 6.5.

⁴³ Treas. Reg. § 1.671-2(e)(1).

⁴⁴ Treas. Reg. § 1.671-2(e)(2).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 21

“grantor” of the trust if the interest acquired is an interest in an investment trust described in Treasury Regulation Section 301.7701-4(c).⁴⁵

The Owners should be treated as “grantors” of the Trust. The Owners will transfer cash to the Trust in exchange solely for Interests therein. Because receiving an Interest in the Trust is not treated as the receipt of property, the Owners should be treated as making a gratuitous transfer to the Trust. Thus, the Owners should be treated as “grantors” of the Trust.

III. As “grantors,” the Owners should be treated as owning an undivided fractional interest in each of the Properties for federal income tax purposes

A “grantor” that is treated as the owner of an undivided fractional interest of the assets in a trust under the provisions of subchapter J of the Code is also treated as owning an undivided fractional interest of such assets for all federal income tax purposes.⁴⁶ Code Sections 673 through 678 set forth rules for determining when the grantor or another person is treated as the owner of any portion of a trust.⁴⁷ Under Code Section 673(a), a grantor is treated as owning any portion of a trust in which the grantor has a reversionary interest in either the trust assets or the income therefrom if, as of the inception of that portion of the trust, the value of such interest exceeds 5% of the value of such portion.

Under Code Section 677(a), a grantor is treated as the owner of any portion of a trust whose income, without the approval or consent of any adverse party is, or in the discretion of the grantor or a non-adverse party, or both, may be distributed to the grantor or held or accumulated for future distribution to the grantor.⁴⁸

Revenue Ruling 2004-86 also considered whether the purchase of interests in the trust arrangement by B and C would be treated as an acquisition of interests in the real property, Blackacre, owned by the trust (in exchange for their interests in Whiteacre and Greenacre that were conveyed to A). The IRS concluded that B and C should be treated as grantors of the trust when they acquire their interests in the trust from A, who had formed the trust. The IRS also concluded that, because B and C have the right to distributions of all the income of the trust attributable to their undivided fractional interests, they should be treated under Code Section 677 as the owners of an aliquot

⁴⁵ Treas. Reg. § 1.671-2(e)(3).

⁴⁶ See Rev. Rul. 88-103, 1988-2 C.B. 304; Rev. Rul. 85-45, 1985-1 C.B. 183; and Rev. Rul. 85-13, 1985-1 C.B. 184. See also Treas. Reg. § 1.1001-2(c), Example 5.

⁴⁷ Treas. Reg. § 1.671-2(a).

⁴⁸ I.R.C. § 677(a). For purposes of this provision, a trustee who lacks an economic interest in the assets of a trust is not an adverse party. See Treas. Reg. § 1.672(a)-1(a).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 22

portion of the trust, and all income, deductions and credits attributable to that portion are includible by B and C in computing their taxable income. Because the owner of an undivided fractional interest of a trust is considered to own the trust assets attributable to that interest for federal income tax purposes, the IRS treated B and C as each owning an undivided fractional interest in Blackacre for federal income tax purposes.

The IRS treatment of B and C as the owners of the trust's property for purposes of Code Section 1031 is consistent with the treatment by the IRS of grantors of a trust for Code Section 1033 purposes. Code Section 1033 is similar to Code Section 1031 in that it confers nonrecognition treatment on the involuntary conversion of property into similar or related-use property.⁴⁹ In several rulings, the IRS has concluded that, because the owner of a grantor trust is treated as the owner of the trust's property for federal income tax purposes, whether replacement property was purchased by a grantor or the grantor's trust is of no consequence for Code Section 1033 purposes.⁵⁰

Several of the rights accorded, directly and indirectly, under the Trust Agreement to the Owners as "grantors" should result in the Owners being treated as owning a direct interest in the Properties for federal income tax purposes. The Owners have the right to the distribution of all income, if any, received by the Trust from the Properties without the approval, consent or exercise of discretion by any person (except as the Manager determines is necessary to pay anticipated ordinary current and future Trust expenses).⁵¹ Additionally, the Owners have a total reversionary interest in the assets of the Trust.⁵² These rights of the Owners as grantors should result in the Owners being treated as owning a direct interest in the Trust's assets, i.e., the Properties, under Code Sections 673 and 677, and therefore, also for all federal income tax purposes, including Code Section 1031.

IV. The Interests should not be treated as securities for purposes of Code Section 1031

If the Interests are determined to be securities for purposes of Code Section 1031, an investor would recognize gain, if any, on the exchange of property for an Interest to the extent the fair market value of the Interest received in the exchange exceeded the adjusted tax basis of the

⁴⁹ See I.R.C. § 1033(a).

⁵⁰ See Rev. Rul. 88-103, 1988-2 C.B. 304; Rev. Rul. 70-376, 1970-2 C.B. 164.

⁵¹ See Trust Agreement § 7.1.

⁵² See Trust Agreement § 7.2.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 23

relinquished property.⁵³ For the reasons discussed below, the Interests should not constitute securities for purposes of Code Section 1031.⁵⁴

A. Legislative History of Code Section 1031

The exclusion of certain property set forth in Code Section 1031 was added to the predecessor to Code Section 1031 in 1923.⁵⁵ The legislation amended the predecessor to Code Section 1031 to include the following italicized language:

When any such property held for investment or for productive use in trade or business (not including stock-in-trade or other property held primarily for sale, *and in the case of property held for investment not including stock, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest*), is exchanged for property of a like kind or use.

The reason for the addition of the language above was to prevent taxpayers from using the predecessor to Code Section 1031 to exchange investment securities, such as stocks and bonds, tax free. A letter from the Secretary of Treasury dated January 13, 1923, provided as follows:

The revenue act of 1921 provides, in section 202, for the exchange of property held for investment for other property held for investment for other property of a like kind without the realization of taxable income. Under this section, a taxpayer who purchases a bond of \$1,000 which appreciates in value may exchange that bond for another bond of the value of \$1,000, together with \$100 in cash (the \$100 in cash representing the increase in the value of the bond while held by the taxpayer), without the realization of taxable income. This provision of the act is being widely abused. Many brokers, investment houses and bond houses have established exchange departments and are advertising that they will exchange securities for their customers in such a manner as to result in no

⁵³ I.R.C. § 1001; I.R.C. § 1031(a)(2)(C) (prior to amendment by the TCJA).

⁵⁴ Although the Interests may be “securities” for purposes of the Securities Act of 1933 or the Securities Exchange Act of 1934, it should be noted that this is not the relevant test for determining whether the Interests are securities for federal income tax purposes but, rather, only the starting point for the analysis.

⁵⁵ See, e.g., H.R. 13774, Public No. 545, 67th Cong., 4th Sess., ch. 294.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 24

taxable gain. Under this section, therefore, taxpayers owning securities which have appreciated in value are exchanging them for other securities and at the same time receiving a cash consideration without the realization of taxable income, but if the securities have fallen in value since acquisition, [taxpayers] will sell them and in computing net income deduct the amount of the loss on sale. This result is manifestly unfair and destructive of the revenues. The Treasury accordingly urges that the law be amended so as to limit the cases in which securities may be exchanged for other securities without the realization of taxable income to those cases where the exchange is in connection with the reorganization, consolidation or merger of one or more corporations.⁵⁶

In response to the concern expressed in the letter above, Congress amended the predecessor to Code Section 1031 to exclude securities.⁵⁷

B. Use of the term “securities” in the Code

The term “securities” is not defined in either Code Section 1031 or the Treasury regulations promulgated thereunder. The term “securities” is narrowly defined in other Sections of the Code, including the following:

- Code Section 165(g) (defining the term “security” as “(A) a share of stock in a corporation; (B) a right to subscribe for, or to receive, a share of stock in a corporation; or (C) a bond, debenture, note, or certificate, or other evidence of indebtedness, issued by a corporation or by a government or political subdivision thereof, with interest coupons or in registered form”);
- Code Section 402(e)(4)(E)(i) (providing that “[t]he term ‘securities’ means only shares of stock and bonds or debentures issued by a corporation with interest coupons or in registered form”);
- Former Code Section 1083(f) (stating that “the term “stock or securities” means shares of stock in any corporation, certificates of stock or interest in any corporation, notes, bonds, debentures and evidences of indebtedness (including any evidence of an interest in or right to subscribe to or purchase any of the foregoing)”);⁵⁸ and

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ Section 1083 was repealed by the Gulf Opportunity Zone Act of 2005. *See* Pub. L. No. 109-135, § 402(a)(1), 119 Stat. 2610 (2005).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 25

- Code Section 1236(c) (providing that “the term ‘security’ means any share of stock in any corporation, certificate of stock or interest in any corporation, note, bond, debenture, or evidence of indebtedness, or any evidence of an interest in or right to subscribe to or purchase any of the foregoing”).

The Interests clearly would not be considered “securities” under any of the above Code Sections which, although not expressly applicable for Code Section 1031 purposes, may inform how broad or restrictive the scope of the term “securities” is for Code Section 1031 purposes.

In addition, there are instances in the Code where a term is defined by specific reference to federal securities law, such as the following examples:

- Code Section 67(c)(2)(B)(i)(I) (“continuously offered pursuant to a public offering (within the meaning of Section 4 of the Securities Act of 1933, as amended. . .)”);
- Code Section 83(c)(3) (“so long as the sale of property at a profit could subject a person to suit under Section 16(b) of the Securities Exchange Act of 1934”);
- Code Section 162(m)(2) (“the term ‘publicly held corporation’ means any corporation which is an issuer (as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c))- (A) the securities of which are required to be registered under section 12 of such Act (15 U.S.C. 781), or (B) that is required to file reports under section 15(d) of such Act (15 U.S.C. 78o(d))”);
- Code Section 277(b)(3) (“which for each day of any taxable year is a national securities exchange subject to regulation under the Securities Exchange Act of 1934 or a contract market subject to regulation under the Commodity Exchange Act”); and
- Code Section 409(e)(4)(A) (“a class of securities required to be registered under Section 12 of the Securities Exchange Act of 1934”).

C. Relevant Tax Court Case

In *Plow Realty Co. of Texas v. Commissioner*,⁵⁹ the Tax Court addressed whether two mineral deeds, each conveying an undivided one-eighth interest in oil, gas, sulphur, and other minerals, were “securities” for purposes of determining whether the gains from such conveyances constituted “personal holding company income” under Section 502(b) of the Internal Revenue Code of 1939. If such gains were “securities,” and hence, “personal holding company income” as defined under the 1939 revenue code, the gains would be subject to a 25% surtax.

The taxpayer contended that the mineral deeds were conveyances of an interest in real estate and not a sale of “securities.” The Tax Court agreed:

⁵⁹ 4 T.C. 600 (1945).

ExchangeRight Real Estate, LLC
October 31, 2025
Page 26

Under [the] securities and exchange acts[,] mineral deeds and assignments of mineral rights have been held to be “securities.” But here we have a revenue statute and not a question of the exercise of police power by a state or the National Government for the protection of the public. The respondent’s regulations define “stock or securities” in broad and comprehensive language, but even so, we do not think the instruments herein can be classified as securities under the revenue act. What we have here is two deeds of conveyance evidencing two private sales of undivided interests in realty, under which title passed to and became vested in the grantees. Such sales do not, in our opinion, under the circumstances here constitute a sale of securities under Respondent’s regulations.⁶⁰

Based on this reasoning, the Tax Court held that the gains realized by the taxpayer upon the conveyance of the mineral deeds were not “personal holding company income” because the mineral deeds did not convey “securities.”

D. General Counsel Memorandum

In General Counsel Memorandum 35,242,⁶¹ the IRS stated that “[a]lthough [the definitions under Code Section 165(g), Code Section 402(a)(3), former Code Section 1083(f) and Code Section 1236(c)] do not control for purposes of Code Section 1031, we believe it persuasive that Congress has consistently defined the term ‘securities’ in a limited sense.” Accordingly, the IRS determined that an exchange of whisky receipts for other whisky receipts qualified for nonrecognition treatment under Code Section 1031(a).

Equally important, General Counsel Memorandum 35,242 determined that the whisky receipts were not “securities” for purposes of Code Section 1031 even though the Securities and Exchange Commission believed such receipts constituted securities under the Securities Act of 1933 and the Securities Exchange Act of 1934. This is consistent with the Tax Court’s position that property which constitutes a security under applicable securities laws is not necessarily a “security” for purposes of a specific provision of the Code.⁶²

⁶⁰ *Id.* at 608 (internal citation omitted).

⁶¹ G.C.M. 35,242 (Feb. 16, 1973).

⁶² *Plow Realty Co. of Texas*, 4 T.C. 600 (1945) (concluding that mineral deeds were not securities for purposes of the predecessor to Code Section 543 (personal holding company income) despite the fact that they were securities under securities and exchange acts).

ExchangeRight Real Estate, LLC
October 31, 2025
Page 27

The IRS further noted, in the proposed revenue ruling attached to the general counsel memorandum, that the “securities” exception to nonrecognition treatment was added to “preclude brokers, investment houses, and bond houses from arranging the tax free exchanges of appreciated securities for their clients.”⁶³

Based on the narrow scope of the definition of “securities” for various Code provisions, the IRS endorsement of this narrow definition in the Code Section 1031 context, the Tax Court’s conclusion that the definition of a “security” under applicable securities laws is irrelevant, and of course, the analysis and conclusion in Revenue Ruling 2004-86, we believe that the Interests should not be treated as securities for purposes of Code Section 1031.

V. The Interests should not be treated as certificates of trust or beneficial interests for purposes of Code Section 1031

The nonrecognition rules of Code Section 1031 do not apply to an exchange of certificates of trust or beneficial interests.⁶⁴ However, as concluded above, the Trust should be treated as a fixed investment trust within the meaning of Treasury Regulation Section 301.7701-4(c) and the Owners should be treated as grantors. Therefore, the Trust is considered to be a grantor trust and the Owners should be viewed as owning an underlying fractional interest in the Properties (as opposed to an interest in the Trust itself for federal income tax purposes). Thus, the Interests should not be viewed as prohibited certificates of trust or beneficial interests for purposes of Code Section 1031.

VI. The Master Lease should be treated as a true lease and not a financing for federal income tax purposes

A. Generally

The economic substance of a leasing transaction is analyzed in light of all of the facts and circumstances.⁶⁵ Transactions structured as leases may be recharacterized for federal income tax

⁶³ G.C.M. 35,242 (Feb. 16, 1973), citing S. Rept. 1113, 67th Cong. (1927), 1939-1 (Part 2) C.B. 845-46.

⁶⁴ I.R.C. § 1031(a)(2)(E) (prior to amendment by the TCJA). As noted above, although the specific language providing for the exclusion of interests in a partnership, securities, or certificates of trust or beneficial interests has been eliminated from the statute, an analysis of these terms remains relevant to the analysis and conclusion set forth herein that the Owners should be treated as owning real property for federal income tax purposes.

⁶⁵ Joint Committee on Taxation, Technical Explanation of the Revenue Provisions of the “Reconciliation Act of 2010,” as Amended, in Combination with the “Patient Protection and Affordable Care Act,” 153 & n. 350 (2010).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 28

purposes to reflect their economic substance.⁶⁶ For example, in appropriate circumstances, a purported lease of property may be recharacterized as a sale of the property providing for deferred payments (i.e., a financing). Such a recharacterization in this context would have significant and adverse tax consequences. For example, if the Master Lease were to be recharacterized as a financing, then for tax purposes, the Owner would be treated as having immediately sold the acquired Interest in the Properties to the Master Lessee (which would be treated as having purchased the Properties from the Owners in exchange for an installment note). The rent payments under the Master Lease would be recharacterized as interest and principal payments on a loan incurred to finance the Master Lessee's purchase of the Properties. The Master Lessee would be entitled, as the owner of the Properties for tax purposes, to claim any depreciation deductions. Since the Owners would not be considered the owner of the Properties for tax purposes, an Owner would be unable to treat the acquired Interest as qualified "replacement property" in a Code Section 1031 exchange, because the Interest would constitute an interest in real property that the Owner would not hold for investment. As a result, purchasers of Class 1 interests attempting to participate in Code Section 1031 exchanges would not be treated as having received qualified replacement property when they acquired their Interests. Such a recharacterization would thus have a significant adverse impact on the tax consequences of an investment in an Interest.

We believe that the Master Lease has the hallmarks of a bona fide, true lease and, therefore, should be treated as such for federal income tax purposes. In furtherance thereof, the Master Lease affirmatively recites that (i) the Trust shall be treated as the true owner of the Properties, (ii) the parties intend the Master Lease be characterized as a "true lease" for federal income tax purposes, (iii) the parties agree that the Master Lease does not represent a financing for federal income tax purposes, and (iv) the parties shall file all tax returns in a manner consistent with the foregoing.⁶⁷

B. Revenue Procedure 2001-28

It is possible that the Master Lease could be classified as a financing rather than a true lease for federal income tax purposes. There is, however, no bright line test for making this determination. This question will be analyzed in the context of Revenue Procedure 2001-28,⁶⁸ which sets forth

⁶⁶ See, e.g., *Frank Lyon Co. v. United States*, 435 U.S. 561 (1978), rev'g 536 F.2d 746 (8th Cir. 1976), rev'g 73-2 USTC ¶9,523 (E.D. Ark. 1973); *Rice's Toyota World, Inc. v. Comm'r*, 752 F.2d 89 (4th Cir. 1985), aff'g 81 T.C. 184 (1983); *Helvering v. F. & R. Lazarus & Co.*, 308 U.S. 252 (1939); *Emershaw v. Comm'r*, T.C. Memo. 1990-246 (1990), *aff'd*, 949 F.2d 841 (6th Cir. 1991).

⁶⁷ See Master Lease § 19.24.

⁶⁸ 2001-1 C.B. 1156. The guidelines were designed with equipment, rather than real estate, leveraged leases as a primary concern.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 29

guidelines for obtaining an advanced ruling that a lease constitutes a true lease (and not a financing) for federal income tax purposes, as well as the federal income tax case law governing this area.

In recent cases, courts have conducted a two-part analysis to determine whether the purported lease should be respected for federal income tax purposes, including an analysis of whether (i) the purported lease should be disregarded as a “sham” transaction and, if not, (ii) whether the lessor retained a sufficient amount of the traditional benefits and burdens of ownership of the property. A leasing transaction will be deemed a sham, and thus disregarded, if it was entered into for the sole purpose of obtaining tax benefits and the transaction is devoid of any reasonable opportunity for economic profit (exclusive of tax benefits). A transaction is not a sham if there is either a business purpose or economic substance to the transaction.⁶⁹ The business purpose test has been described as a subjective analysis examining the motivations for entering into a transaction,⁷⁰ while the economic substance analysis is described as an objective analysis focusing on whether the transaction has a reasonable opportunity of producing a profit (exclusive of tax benefits).⁷¹ If a transaction is shown not to be a sham, the lessor must additionally retain sufficient benefits and burdens of ownership to be regarded as the owner for federal income tax purposes.⁷²

The essence of the courts’ benefits and burdens analysis is an examination of whether the purported lessor (i) is subject to the risks of ownership (i.e., downside) and (ii) will enjoy the profits of the property (i.e., upside).

Revenue Procedure 2001-28 sets forth advance ruling guidelines for “true lease” status. The Trust has not sought, and does not expect to request, a ruling from the IRS under Revenue Procedure 2001-28. These ruling guidelines provide certain criteria that the IRS will require to be satisfied in order to issue a private letter ruling that a lease is a “true lease” for federal income tax purposes. In the event of an examination by the IRS, the IRS and, ultimately, the courts of applicable jurisdiction, would consider these ruling guidelines, together with existing cases and rulings, for purposes of determining whether the Master Lease qualifies as a true lease for federal income tax

⁶⁹ See *Rice’s Toyota World, Inc.*, 752 F.2d 8; *Van Roekel v. Comm’r*, T.C. Memo. 1989-74 (1989), *app. dismissed*, 905 F.2d 80 (5th Cir. 1990); *Offermann v Comm’r*, T.C. Memo. 1988-236 (1988); *L.W. Hardy Co. v. Comm’r*, T.C. Memo. 1987-63 (1987); *Greenbaum v. Comm’r*, T.C. Memo. 1987-222 (1987); *Torres v. Comm’r*, 88 T.C. 702 (1987); *Mukerji v. Comm’r*, 87 T.C. 926 (1986).

⁷⁰ *Levy v. Comm’r*, 91 T.C. 838, 854 (1988).

⁷¹ See *Levy*, 91 T.C. 838; *Rubin v. Comm’r*, T.C. Memo. 1989-484 (1989); *Moser v. Comm’r*, T.C. Memo. 1989-142 (1989), *aff’d*, 914 F.2d 1040 (8th Cir. 1990); *Van Roekel*, T.C. Memo. 1989-74; *Offermann*, T.C. Memo. 1988-236; *Larsen v. Comm’r*, 89 T.C. 1229 (1987), *aff’d & rev’d sub nom*, *Casebeer v. Comm’r*, 909 F.2d 1360 (9th Cir. 1990).

⁷² See *Emershaw*, T.C. Memo. 1990-246; *Rubin*, T.C. Memo. 1989-484; *Pearlstein v. Comm’r*, T.C. Memo. 1989-621 (1989); *Moser*, T.C. Memo. 1989-142; *Van Roekel*, T.C. Memo. 1989-74; *Levy*, 91 T.C. 838.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 30

purposes. However, we do not believe that strict compliance with Revenue Procedure 2001-28 is required to conclude that the Master Lease should be characterized as a true lease for federal income tax purposes. Rather, we believe that satisfying most of the material ruling guidelines should be sufficient for purposes of determining the characterization of the Master Lease for federal income tax purposes. Accordingly, the following discussion reviews the factors considered relevant by the IRS under Revenue Procedure 2001-28 guidelines, as well as the relevant case law.⁷³

C. Minimum Unconditional At-Risk Investment

The lessor must make a minimum unconditional “at risk” investment in the property (the “*Minimum Investment*”) when the lease begins, must maintain such Minimum Investment throughout the entire lease term, and such Minimum Investment must remain at the end of the lease term. The Minimum Investment must be an equity investment (the “*Equity Investment*”) that includes only consideration paid, and personal liability incurred, by the lessor to purchase the property. The net worth of the lessor must be sufficient to satisfy any such personal liability.⁷⁴ We believe that satisfying the required Minimum Investment pursuant to the guidelines is also indicative of a lessor’s retention of downside risk as required under the framework established by the case law.⁷⁵

1. Initial Minimum Investment

When the property is first placed in service or use by the lessee, the Minimum Investment must be equal to at least 20% of the cost of the property. The Minimum Investment must be unconditional. That is, the lessor must not be entitled to a return of any portion of the Minimum Investment through any arrangement, directly or indirectly, with the lessee, a shareholder of the lessee, or any party related to the lessee (within the meaning of Code Section 318) (the “*Lessee Group*”).⁷⁶

The Owners will acquire their Interests in the Properties (through the Trust) for unconditional Equity Investments equal to 100% of the cost of their Interests. No Owner will be entitled to

⁷³ The factors enumerated in the case law are relevant to the guidelines as set forth in Revenue Procedure 2001-28; thus, for purposes of this analysis we refer to the case law factors within the framework of the guidelines.

⁷⁴ Rev. Proc. 2001-28, § 4.01.

⁷⁵ For example, courts have treated a lessor as the owner of property when the lessor has made cash investments substantially smaller than the 20% required by the Revenue Procedure 2001-28 guidelines. *See, e.g., Emershaw*, T.C. Memo. 1990-246 (6% investment); *Greenbaum*, T.C. Memo. 1987-222 (7% investment); *Hardy*, T.C. Memo. 1987-63 (17% investment).

⁷⁶ Rev. Proc. 2001-28, § 4.01(1).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 31

demand the return of his, her or its Equity Investment from the Trust, the Master Lessee, or any party related to such parties, either through a put option, a guaranty of residual value, or other arrangement with such persons.

2. Maintenance of Minimum Investment

The Minimum Investment must remain equal to at least 20% of the cost of the property at all times throughout the entire lease term. That is, the excess of the cumulative payments required to have been paid by the lessee to or for the lessor over the cumulative disbursements required to have been paid by or for the lessor in connection with the ownership of the property must never exceed the sum of (i) any excess of the lessor's initial Equity Investment over 20% of the cost of the property plus (ii) the cumulative pro rata portion of the projected profit from the transaction (exclusive of tax benefits).⁷⁷

ExchangeRight, the Trust, and the Manager have represented to us that they anticipate that the equity invested in the Properties by the Owners will equal at least 20% of the cost of the Properties to the Trust at all times throughout the term of the Master Lease (disregarding fluctuations in value) and that, to their knowledge, no plans or intentions exist to reduce such equity through distributions or refinancing of the Properties or otherwise. It is impossible, however, to determine at this time whether the economic performance of the Properties will comply with the above stated requirement of Revenue Procedure 2001-28. Based upon the representations and supplemental supporting information provided, the estimation weighs in support of characterization of the Master Lease as a true lease for federal income tax purposes.

3. Residual Investment

Under Revenue Procedure 2001-28, the fair market value of the property at the end of the lease term must be estimated to be an amount equal to at least 20% of the original cost of the property. For this purpose, fair market value must be determined (i) without including in such value any increase or decrease for inflation or deflation during the lease term, and (ii) after subtracting from such value any cost to the lessor for removal and delivery of possession of the property to the lessor at the end of the lease term. In addition, under Revenue Procedure 2001-28, a reasonable estimate of the remaining useful life of the property at the end of the lease term must equal the longer of one year or 20% of the originally estimated useful life of the property.⁷⁸

⁷⁷ *Id.* at § 4.01(2).

⁷⁸ *Id.* at § 4.01(3).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 32

ExchangeRight, the Trust, the Master Lessee, and the Manager have represented that each of the Properties is expected to have, based upon a third-party appraisal from a reputable appraiser, a value at the end of the term of the Master Lease (or the anticipated time of sale) which will exceed 20% of the original cost of each of the Properties, and the financial projections of the value of each of the Properties at such times are (i) not based on increases or decreases in inflation or deflation, (ii) reflect anticipated costs of sale, and (iii) if applicable, reflect the Trust's estimated cost to take possession of the Properties substantially in the state that they were in at the outset of the Master Lease. In addition, ExchangeRight, the Trust, the Master Lessee, and the Manager have represented that a reasonable estimate of the remaining useful life of each of the Properties at the end of the term of the Master Lease (or the anticipated time of sale) should equal the longer of one year or 20% of the originally estimated useful life of the Properties.

D. Master Lease Term and Renewal Options

For purposes of determining whether the various requirements imposed under Revenue Procedure 2001-28 are satisfied, the lease term must include all renewal or extension periods except renewals or extensions at the option of the lessee at fair rental value at the time of such renewal or extension.⁷⁹

The Master Lease does not provide for any renewal options or extensions and terminates in all events concurrently with the Landlord's (as defined in the Master Lease) termination.⁸⁰ Because both the Equity Investment of the Owners and the Master Lease will terminate at the time of the anticipated sale of the Properties, the anticipated time of sale might be used as the measuring period for purposes of determining the term of the Master Lease.

E. Purchase and Sale Rights

Under Revenue Procedure 2001-28, no member of the Lessee Group may have a contractual right to purchase the property from the lessor at a price less than its fair market value at the time the right is exercised.⁸¹ When the property is first placed in service or use by the lessee, the lessor may not have a contractual right to cause any party to purchase the property.⁸² The lessor must also not have any present intention to acquire such a contractual right. A provision that permits the lessor to abandon the property to any party will be treated as a contractual right of the lessor to

⁷⁹ *Id.* at § 4.02.

⁸⁰ *See* Master Lease §§ 1.6 and 3.2.

⁸¹ Rev. Proc. 2001-28, § 4.03.

⁸² *Id.* at § 4.03.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 33

cause such party to purchase the property.⁸³ Despite this prohibition, both the IRS and the courts have recognized leases utilizing fixed-price purchase options as leases for federal income tax purposes. A number of courts have concluded that a true lease existed even when the lessee had the right to purchase the leased property at a fixed price so long as the purchase price represented an estimate of the fair market value of the leased property as of the option date, or was not nominal in relation to such value.⁸⁴ Moreover, the IRS has also reached this conclusion in private rulings.⁸⁵ For example, in Private Letter Ruling 8120024, the IRS approved use of a fixed-price purchase option because an appraisal made at the inception of the transaction indicated that the option price reflected anticipated fair market value. Further, the IRS specifically noted the fact that the relationship between the parties established a “net lease,” a customary practice in the leasing industry.⁸⁶

The Master Lease (or any other Document) does not give the Trust a right to cause any party to purchase the Properties. The Trust has represented that it does not have any present intention to acquire such a contractual right, and ExchangeRight and the Manager have represented that there is not any intention to cause the Trust to acquire such a contractual right. Moreover, the Master Lease does not contain any provisions giving a contractual right to the Master Lessee (or any affiliate) to purchase the Properties. Thus, no member of the Lessee Group has a contractual right to purchase the Properties from the Trust at a price less than its fair market value at the time the right is exercised.

⁸³ *Id.*

⁸⁴ See *Hardy*, T.C. Memo. 1987-63; *Transamerica Corp. v. U.S.*, 15 Cl. Ct. 420 (1988), *aff'd*, 902 F.2d 1540 (Fed. Cir. 1990); *Cooper v. Comm'r*, 88 T.C. 84 (1987); *Belz Inv. Co. v. Comm'r*, 72 T.C. 1209 (1979), *aff'd*, 661 F.2d 76 (6th Cir. 1981), *acq.*, 1980-2 C.B. 1; *Northwest Acceptance Corp. v. Comm'r*, 58 T.C. 836 (1972), *aff'd*, 500 F.2d 1222 (9th Cir. 1974); *Lockhart Leasing Co. v. Comm'r*, 54 T.C. 301 (1970), *aff'd*, 446 F.2d 269 (10th Cir. 1971); see also Staff of the Joint Committee on Taxation, General Explanation of the Tax Reform Act of 1984 (1984) (“Where [a] purchase option was more than nominal but relatively small in comparison with fair market value, the lessor was viewed as having transferred full ownership because of the likelihood that the lessee would exercise the option.”).

⁸⁵ See I.R.S. Priv. Ltr. Rul. 8120024 (Feb. 17, 1981); I.R.S. Priv. Ltr. Rul. 8130087 (Apr. 29, 1981); *but cf.* I.R.S. Priv. Ltr. Rul. 8634005 (May 2, 1986); I.R.S. Priv. Ltr. Rul. 8347098 (Aug. 25, 1983); I.R.S. Priv. Ltr. Rul. 8210007 (Sept. 17, 1980) (where a fixed price is nominal or has no correlation with the anticipated fair market value of the property at the exercise date the transaction structured as a lease should be treated as a sale).

⁸⁶ I.R.S. Priv. Ltr. Rul. 8120024. Note that, although the net lease in the private letter ruling referred to a “customary practice in the construction equipment leasing industry,” net leases are, likewise, a customary practice in the real property leasing industry.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 34

F. Investment by Lessee

Except as otherwise provided below, no part of the cost of the Properties or the cost of improvements, modifications, or additions to the Properties (“*Improvements*”), may be furnished by any member of the Lessee Group. If the leases require the lessee to maintain and keep the property in good repair during the term of the lease, ordinary maintenance and repairs performed by a member of the Lessee Group will not constitute an Improvement.⁸⁷

While a tenant may incur some obligations to construct Improvements under one or more subleases, this should not affect the characterization of the applicable lease for federal income tax purposes. In general, the Master Lessee is required to maintain the Properties but is not obligated to construct Improvements. We believe that any Improvements that in certain rare circumstances could be required to be constructed by the Master Lessee under the Master Lease are consistent with ordinary commercial practice and should not prevent the Master Lease from qualifying as a true lease for federal income tax purposes.⁸⁸

G. No Lessee Loans or Guarantees

No member of the Lessee Group may lend to the lessor any of the funds necessary to acquire the property, or guarantee any indebtedness created in connection with the acquisition of the property by the lessor.⁸⁹ A guarantee by any member of the Lessee Group of the lessee’s obligation to pay rent, properly maintain the property, or pay insurance premiums or other similar conventional obligations of a net lease does not constitute a guarantee of the indebtedness of the lessor.⁹⁰

There are no loans or guarantees in the Documents. Accordingly, there are no loans or guarantees that violate this requirement for purposes of lease characterization.

⁸⁷ Rev. Proc. 2001-28, § 4.04.

⁸⁸ In addition, in its private ruling practice under Revenue Procedure 75-21 (the predecessor to Revenue Procedure 2001-28, which included a similar requirement), the IRS has generally concluded that the making of an improvement by a tenant not permitted under this guideline will not affect the true lease analysis. *See* I.R.S. Priv. Ltr. Rul. 8712025 (Dec. 18, 1986); *see also* G.C.M. 36,727 (May 13, 1976) (“We too have found no statutory or judicial law reclassifying a lease transaction as a purchase because of lessee improvements.”).

⁸⁹ Rev. Proc. 2001-28, § 4.05.

⁹⁰ *Id.* at § 4.05.

ExchangeRight Real Estate, LLC
October 31, 2025
Page 35

H. Profit Requirement

The lessor must expect to receive a profit from the transaction, apart from the value of or benefits obtained from the tax deductions, allowances, credits and other tax attributes arising from such transaction. Under the Revenue Procedure 2001-28 guidelines, this requirement is met if: (a) the aggregate amount required to be paid by the lessee to or for the lessor over the lease term plus the value of the residual investment exceed an amount equal to the sum of the aggregate disbursements required to be paid by or for the lessor in connection with the ownership of the property and the lessor's Equity Investment in the property, including any direct costs to finance the Equity Investment; and (b) the aggregate amount required to be paid to or for the lessor over the lease term exceeds by a reasonable amount the aggregate disbursements required to be paid by or for the lessor in connection with the ownership of the property.⁹¹ Similarly, the return of a profit to the lessor is arguably indicative of a true upside, sufficient to satisfy the sham transaction and benefits and burdens framework established by the case law. ExchangeRight, the Trust, the Master Lessee, and the Manager have represented that this requirement is expected to be satisfied.

In light of the above analysis of the relevant factors, the Master Lease should satisfy the pertinent material conditions set forth in Revenue Procedure 2001-28 that we believe are necessary for characterization as a true lease. Likewise, under the framework established in the case law, the Master Lease bears the hallmarks of a bona fide lease. Accordingly, we believe that the Master Lease should be treated as a true lease rather than a financing for federal income tax purposes.

VII. The Master Lease should be treated as a true lease and not a deemed partnership for federal income tax purposes

It also is necessary to consider whether the Master Lease could be recharacterized as a partnership for federal income tax purposes because if the Trust or the Owners are treated as partners with the Master Lessee with respect to the ownership of the Properties, the Owners would not be treated as directly holding interests in the Properties for income tax purposes. Case law provides that certain factors are indicative that a purported lease may in fact be a partnership for federal income tax purposes.⁹²

⁹¹ *Id.* at § 4.06.

⁹² See *Haley v. Comm'r*, 203 F.2d 815 (5th Cir. 1953), *rev'g and rem'g* 16 T.C. 1509 (1951); *Bussing v. Comm'r*, 88 T.C. 449 (1987) ("A partnership for federal income tax purposes is formed when the parties to a venture join together capital or services with the intent of conducting a business or enterprise and of sharing the profits and/or losses of the venture"). In *Bussing*, the parties entered into a multiparty sale lease-back transaction intended to qualify under *Frank Lyon*. Rent payments generally offset amounts due under the debt incurred to purchase the asset, giving the purchaser-lessee an interest in the rent. Because of a remarketing agreement that enabled the seller-lessee to share along with the purchaser lessor in the residual value of the leased property. The purchaser-lessee took the property subject to already existing debt and therefore bore a risk of loss if this debt was not repaid.

ExchangeRight Real Estate, LLC
October 31, 2025
Page 36

A. Applicable Standards

The courts have focused on the following factors when analyzing this issue:

1. Intent

In *Commissioner v. Culbertson*,⁹³ the Supreme Court stated that a transaction will be treated as a partnership rather than a lease “if the agreements and the conduct of the parties . . . plainly show the existence of such [a partnership] relationship, and the intent to enter into it”. The “intent” test set forth in *Culbertson* therefore is applicable in determining whether an agreement is treated as a partnership or as a lease. Further, the Master Lease affirmatively recites that (i) the Trust shall be treated as the true owner of the Properties, (ii) the parties intend the Master Lease be characterized as a “true lease” for federal income tax purposes, (iii) the parties agree that the Master Lease does not represent a partnership for federal income tax purposes, and (iv) the parties shall file all tax returns in a manner consistent with the foregoing.⁹⁴

2. Joint Contribution of Capital or Services

Where persons combine their capital and services together in an enterprise such that they are required to deal with each other to realize the economic benefits from the property, the arrangement generally will be characterized as a partnership.⁹⁵ The Trust and the Master Lessee do not intend to pool either their capital or services. The Trust will make the Properties available to the Master Lessee and will not participate in, or provide services to, the Master Lessee’s business (except to the extent necessary to protect its investment in the Properties). Similarly, the Master Lessee will not provide capital to enable the Trust to acquire or improve the Properties and will not provide services to the Trust (except to the extent necessary to comply with its obligations under the Master Lease).

3. Joint Capital and Ownership of Capital and Earnings

Another factor is whether the participants will have joint control over the capital and earnings of the venture.⁹⁶ The Master Lessee will have control over cash from the Properties. However, the

⁹³ 337 U.S. 733 (1949).

⁹⁴ See Master Lease § 19.24.

⁹⁵ *Bussing*, 88 T.C. 449; *Alhouse v. Comm’r*, T.C. Memo. 1991-652 (1991), *aff’d sub nom.*, *Bergdorf v. Commissioner*, 12 F.3d 166 (9th Cir. 1993).

⁹⁶ I.R.C. § 704(e)(1).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 37

Master Lessee should not be deemed to have an ownership interest in the funds to which the Trust is entitled and it does not have the power to spend such funds except pursuant to the specific terms provided under the Master Lease. The Trust and the Master Lessee will each earn a separate profit. The Master Lessee will recognize income or loss based on the difference between the rent it receives on its subleases and the expenses of leasing and operating the Properties. The Trust will receive rent from the Master Lessee, including a fixed base rent payment payable on a monthly basis, and additional rent and other sums under the terms of the Master Lease.⁹⁷ The Master Lease does not provide for any rental payments based on net operating income or net cash flow from the operation of the Properties. Thus, none of these parties will jointly share in profits or losses; rather, each will bear its own separate risk that a profit will be realized.

4. Sharing of Profits as Co-proprietors

Partners generally share profits as co-proprietors. A sharing of profits, however, is not alone sufficient to make partners or joint venturers out of participants in a business enterprise if the requisite element of co-ownership is not established.⁹⁸ A profit share in a lease can be received by a lessor as rent without the lessor becoming a partner in the enterprise. A share of net receipts, as opposed to gross receipts, is stronger evidence that a partnership relationship exists, but without

⁹⁷ See Master Lease at Articles 4 and 5.

⁹⁸ See Treas. Reg. § 301.7701-1(a)(2) (if an individual owner of farm property leases it to a farmer for a cash rental or a share of the crops, they do not necessarily create a separate entity for federal tax purposes); *Grandview Mines v. Comm'r*, 282 F.2d 700 (9th Cir. 1960), *aff'g* 32 T.C. 759 (1959) (46.5% of lessee's net profits from leased property; not recharacterized as partnership); *Freesen v. Comm'r*, 84 T.C. 920 (1985) ("The fact that the consideration paid for the use of property is a function of net profits, does not require a finding that a joint venture exists"), *rev'd on other grounds*, 798 F.2d 195 (7th Cir. 1986); see also *U.S. v. Myra Foundation*, 382 F.2d 107 (8th Cir. 1967) (sharecropping arrangement not partnership even though landowner furnished seed, paid half of certain expenses, and participated in farming operations through a farm manager); *White's Iowa Manual Labor Inst. v. Comm'r*, T.C. Memo 1993-364 (same result); *Harlan E. Moore Charitable Trust v. U.S.*, 9 F.3d 623 (7th Cir. 1993) (same result); *Oblinger Trust v. Comm'r*, 100 T.C. 114 (1993); cf. *State National Bank of El Paso v. U.S.*, 509 F.2d 832 (5th Cir. 1975) (holding characterization as lease or partnership was a question for the jury and distinguishing *Myra Foundation*); Rev. Rul. 57-7, 1957-1 C.B. 435 (arrangements in which coin-operated entertainments were placed on premises and under which the owner of the premises received a percentage of the gross receipts were leases); *Manchester Music Co., Inc. v. U.S.*, 733 F. Supp. 473 (D.N.H. 1990) (reaching opposite conclusion from Rev. Rul. 57-7); *In re Acme Music Co., Inc.*, 196 B.R. 925 (W.D. Pa. 1996) (no partnership between owner of premises of operator of coin-operated entertainments where owner and operator shared only gross profits, not net profits); Rev. Rul. 92-49, 1992-1 C.B. 433 (allowing taxpayers to elect how to report arrangements described in Rev. Rul. 57-7); see also *Duley v. Comm'r*, T.C. Memo. 1981-246 (1981) (no partnership even though profit sharing because no intent to form partnership, no sharing of losses and no material interest in capital); *Koss v. Comm'r*, T.C. Memo. 1989-330 (1989), *aff'd*, 908 F.2d 962 (3d Cir. 1990) (no partnership when joint sharing of profits because no obligation to contribute capital or share losses and no proprietary interest in profits); I.R.S. Priv. Ltr. Rul. 8003027 (Oct. 23, 1979); G.C.M. 36,113 (Dec. 19, 1974); Rev. Rul. 75-43, 1975-1 C.B. 383.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 38

more, should not cause a lease to be recharacterized as a partnership. Under the Master Lease, the Master Lessee receives rent from the sublease of the Properties whereas the Trust receives rent from the Master Lessee. Under the Treasury Regulations, the sharing of gross rents, without more, is very unlikely to create a partnership arrangement.⁹⁹ As noted above, the Master Lease does not provide for any rental payments based on net operating income or net cash flow from the operation of the Properties or any other similar sharing relationships or arrangements beyond the sharing of gross rents from the Properties.

5. Sharing of Losses

Although the sharing of losses is not required to obtain partner status, this has often been a significant factor in cases distinguishing leases from partnerships. A mere profit-sharing agreement would not be taxed as a partnership absent an intent to form a partnership, especially when there was no agreement to share losses. In this case, the Master Lessee will not share in losses generated from an ownership interest in the Properties. Further, in the case of the Master Lease, the Trust will lease the Properties to the Master Lessee, and will not share in losses, if any, sustained by the Master Lessee with respect to operating and subletting of the Properties.

6. Control Over the Business

An arrangement whereby two or more persons share the profits of a common undertaking does not constitute a joint venture in the absence of the power to control.¹⁰⁰ Typically, a lessor does not jointly manage the leased property with the lessee. The right of a lessor to participate in the management of the property, therefore, is an important factor distinguishing leases from partnerships.¹⁰¹ Under the terms of the Master Lease, the Trust will have limited rights to participate in the management of the Properties. The Master Lessee will have the right to manage the day-to-day operation of the Properties. While any decision to sell the Properties will be made by the Manager on behalf of the Trust, this right is typical for a lessor to possess as the owner of the Properties and, therefore, does not support partnership characterization.

7. Parties' Agreement and Conduct in Executing its Terms

As stated above, the Master Lease specifically states that the parties do not intend to create a partnership or a financing arrangement. Further, we believe the terms of the Master Lease are not

⁹⁹ Treas. Reg. § 1.761-1(a); Treas. Reg. §301.7701-1(a)(2).

¹⁰⁰ *Joe Balestrieri and Co. v. Comm'r*, 177 F.2d 867 (9th Cir. 1949); *O'Conner v. Comm'r*, T.C. Memo. 1960-70 (1960) (broker split profits but compensated for losses).

¹⁰¹ See, e.g., *Grandview Mines v. Comm'r*, 282 F.2d 700 (9th Cir. 1960); *Haley*, 203 F.2d 815.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 39

indicative of a partnership, joint venture, financing arrangement, or management arrangement. Accordingly, the terms of the Master Lease and, to our knowledge, the parties' conduct in executing its terms should not be indicative of a partnership for federal income tax purposes.

8. Maintenance of Separate Books

The Master Lessee will not keep books or records on behalf of the Trust; instead, such tasks will be performed by the Manager on behalf of the Trust.

9. Filing of Tax Returns or Other Partnership Action

Section 19.24 of the Master Lease provides that the Master Lease shall not be treated as a partnership and that the parties to the Master Lease shall file all tax returns in a manner consistent with the foregoing. Accordingly, the filing of partnership tax returns would be wholly inconsistent with the totality of the terms of the Master Lease.

10. Lessee Shares in Residual Proceeds

Although a number of cases have upheld transactions as leases even though the lessee was engaged to provide the lessor with remarketing services in exchange for a share of the sales proceeds,¹⁰² this factor is not present here. In addition, any compensation of the Manager, if any, upon a sale of the Properties is a matter of contract between the Trust and the Manager and should not give rise to a partnership between the Master Lessee and the Trust for federal income tax purposes.

B. Conclusion

Based on these factors, the arrangement between and among the Trust and the Master Lessee should not give rise to a deemed partnership for federal income tax purposes.

VIII. The discussions of the federal income tax consequences contained in the Memorandum are correct in all material respects

We have reviewed the discussions of federal income tax consequences contained in the Memorandum and we believe that they are correct in all material respects. Our opinion, however, does not address whether an exchange entered into by an Owner satisfies all of the requirements of Code Section 1031.

¹⁰² See, e.g., *Levy*, 91 T.C. 838; *Casebeer*, 909 F.2d 1360.

ExchangeRight Real Estate, LLC
October 31, 2025
Page 40

IX. Certain judicially created doctrines should not apply to change the foregoing conclusions

There are four judicially created doctrines that may conceivably apply to the Trust's contractual arrangements and the Documents, including the economic substance, sham transaction, substance-over-form, and step transaction doctrines. For reasons discussed more fully below, none of the foregoing doctrines should apply to recharacterize the contractual arrangements or transactions in the instant case.

A. Economic Substance and Business Purposes

1. Applicable Rules

Taxpayers generally are free to structure their business transactions as they please, even if motivated by tax avoidance considerations.¹⁰³ While a transaction with no purpose other than to reduce taxes will not be recognized for U.S. federal income tax purposes, a transaction that has a meaningful business purpose and economic substance should be respected, regardless of whether the taxpayer also intended to reduce taxes.¹⁰⁴ In *Frank Lyon Co. v. United States*,¹⁰⁵ the Supreme Court stated:

Where . . . there is a genuine multiple-party transaction with economic substance which is compelled or encouraged by business or regulatory realities, is imbued with tax independent

¹⁰³ See *Gregory v. Helvering*, 293 U.S. 465 (1935); *Rice's Toyota World*, 81 T.C. 184.

¹⁰⁴ *Gregory*, 293 U.S. at 469; see also *Superior Oil Co. v. Mississippi*, 280 U.S. 390, 395-96 (1930) ("The only purpose of the [taxpayer] was to escape taxation. . . The fact that it desired to evade the law, as it is called, is immaterial, because the very meaning of a line in the law is that you intentionally may go as close to it as you can if you do not pass it"); *Knetsch v. United States*, 364 U.S. 361, 365 (1960) (citing *Gregory* regarding the legal right of a taxpayer to decrease or altogether avoid taxes); *ACM Partnership v. Comm'r*, 157 F.3d 231, 248 n.31 (3d Cir. 1998) ("[I]t is also well established that where a transaction objectively affects the taxpayer's net economic position, legal relations, or non-tax business interests, it will not be disregarded merely because it was motivated by tax considerations. In analyzing both the objective and subjective aspects of ACM's transaction in this case where the objective attributes of an economically substantive transaction were lacking, we do not intend to suggest that a transaction which has actual, objective effects on a taxpayer's non-tax affairs must be disregarded merely because it was motivated by tax considerations."), *aff'g in part, rev'g in part* T.C. Memo. 1997-115 (1997); *Yosha v. Comm'r*, 861 F.2d 494, 499 (7th Cir. 1988) (a transaction has economic substance when " . . . it is the kind of transaction that some people enter into without a tax motive, even though the people fighting to defend the tax advantages of the transaction might not or would not have undertaken it but for the prospect of such advantages - may indeed have had no other interest in the transaction.").

¹⁰⁵ 435 U.S. 561 (1978).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 41

considerations, and is not shaped solely by tax-avoidance features that have meaningless labels attached, the Government should honor the allocation of rights and duties effectuated by the parties.¹⁰⁶

As a result of *Frank Lyon*, a two-pronged test was developed to determine whether the form of a transaction should be respected or disregarded as a sham. In *Rice's Toyota World, Inc.*,¹⁰⁷ the Fourth Circuit articulated this test by stating that “[t]o treat a transaction as a sham, the court must find that the taxpayer was motivated by no business purposes other than obtaining tax benefits in entering the transaction, and that the transaction has no economic substance because no reasonable possibility of a profit exists.”¹⁰⁸ This test therefore analyzes both the objective and subjective aspects of a transaction, i.e., the economic substance and the subjective business motivation behind the transaction, respectively. These objective and subjective aspects are not “discrete prongs of a ‘rigid two-step analysis,’ but rather are related factors in the analysis of whether a transaction has sufficient substance, apart from its tax consequences, to be respected.”¹⁰⁹

With respect to determining profit potential, the courts have not traditionally established a threshold amount of profit to determine whether a transaction should be respected for U.S. Federal income tax purposes. The Tax Court has in some cases required more than a de minimis amount

¹⁰⁶ *Id.* at 583-84. *See also Cottage Savings Ass’n v. Comm’r*, 499 U.S. 554 (1991) (a savings and loan association that swapped mortgage portfolios in order to recognize a tax loss was allowed such loss; the Supreme Court focused not on the tax-motivated purpose, but on whether the portfolios were materially different by tax as opposed to economic standards).

¹⁰⁷ *Rice's Toyota World*, 752 F.2d 89.

¹⁰⁸ *Rice's Toyota World*, 752 F.2d at 91; *see also Horn v. Comm’r*, 968 F.2d 1229, 1237 (D.C. Cir. 1992) (before declaring a transaction an economic sham, the court should consider whether the transaction presented a reasonable prospect for economic gain).

¹⁰⁹ *Rice's Toyota World*, 75 F.2d at 92; *see also Jacobson v. Comm’r*, 915 F.2d 832, 837 (2d Cir. 1990) (the determination of economic substance looks to whether the transaction has any “practical economic effects other than the creation of income tax losses”); *Weller v. Comm’r*, 270 F.2d 294, 297 (3d Cir. 1959) (transactions that do not change the flow of economic benefits are disregarded if they do not change the taxpayer’s financial position); *Northern Ind. Pub. Serv. Co. v. Comm’r*, 115 F.3d 506 (7th Cir. 1997), *aff’g* 105 T.C. 341 (1995) (the IRS could not set aside transactions which resulted “in actual, non-tax related changes in economic position.”); *Larsen*, 89 T.C. 1229; *but cf. Kirchman v. Comm’r*, 862 F.2d 1486 (11th Cir. 1989) (existence of a nontax business purpose does not mandate the recognition of a transaction that otherwise lacks economic substance); *Goldstein v. Comm’r*, 364 F.2d 734 (2d Cir. 1966) (the court denied the taxpayer a prepaid interest deduction on debt incurred by the taxpayer solely to generate a deduction because the taxpayer could not reasonably have had any purpose in entering the transactions other than to reduce taxes).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 42

of profit, especially where transactions involving financial instruments are concerned.¹¹⁰ Other courts, however, have been reluctant to propose a threshold amount.¹¹¹

In *United Parcel Service of America, Inc. v. Commissioner*,¹¹² the Eleventh Circuit reversed the Tax Court¹¹³ on the issue of economic substance in finding that the restructuring by United Parcel Service (“UPS”) of its excess-value business had both real economic effects and a business purpose. The Court reasoned that setting up a transaction (that otherwise has economic substance) with tax planning in mind is permissible as long as it figures in a bona fide, profit-seeking business purpose. In its finding that UPS’ transaction had a valid business purpose, the Court noted that “a “business purpose” does not mean a reason for a transaction that is free of tax considerations. Rather, a transaction has a “business purpose ... as long as it figures in a bona fide, profit-seeking business.”¹¹⁴

The economic substance doctrine was developed under an extensive body of case law prior to being codified as Code Section 7701(o) as part of the Reconciliation Act of 2010.¹¹⁵ Code Section 7701(o)(5)(C) provides that “[t]he determination of whether the economic substance doctrine is relevant to a transaction shall be made in the same manner as if this subsection had never been enacted.”¹¹⁶ For example, the Joint Committee Report specifically provides that “[l]easing transactions, like all other types of transactions, will continue to be analyzed in light of all the facts and circumstances.”¹¹⁷ This suggests that the economic substance doctrine as codified will be

¹¹⁰ See *Hilton v. Comm’r*, 74 T.C. 305, 353 (1980); *aff’d per curiam*, 671 F.2d 316 (9th Cir. 1982) (a 6% rate of return was required for purposes of the economic substance determination); *Krumhorn v. Comm’r*, 103 T.C. 29 (1994).

¹¹¹ See *Estate of Thomas v. Comm’r*, 84 T.C. 412, 440 n. 52 (1985) (the court abstained, absent legislative guidance, from proposing a particular return for purposes of the determination of profit potential).

¹¹² 254 F.3d 1014 (11th Cir. 2001), *rev’g* T.C. Memo. 1999-268 (1999).

¹¹³ 78 T.C.M. (CCH) 262 (1999).

¹¹⁴ *United Parcel Service of America, Inc.*, 254 F.3d at 1019.

¹¹⁵ As codified, the Economic Substance Doctrine is the “common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic *substance* or lacks a business purpose.” I.R.C. § 7701(o)(5)(A).

¹¹⁶ See also Joint Committee on Taxation, Technical Explanation of the Revenue Provisions of the “Reconciliation Act of 2010,” as amended, in combination with the “Patient Protection and Affordable Care Act” (JCX-18-10) (*Mar.* 21, 2010) [hereinafter Joint Committee Report], at 152 (“[T]he provision does not change present law standards in determining when to utilize the economic substance analysis.”).

¹¹⁷ *Id.*

ExchangeRight Real Estate, LLC

October 31, 2025

Page 43

applied as it historically has been applied under the case law. However, taxpayers should anticipate that the courts and the IRS could apply the specific language of the statute.

If the economic substance doctrine applies, Code Section 7701(o) codifies the position, already taken by many courts, that the economic substance doctrine entails application of a conjunctive test.¹¹⁸ Specifically, Code Section 7701(o)(1) provides that a transaction (or series of transactions) to which the economic substance doctrine applies is treated as having economic substance only if: (1) it changes in a meaningful way (apart from any U.S. federal income tax effects) the taxpayer's economic position; and (2) the taxpayer has a substantial purpose (apart from U.S. federal income tax effects) for entering into such transaction. Before enacting Code Section 7701(o), some circuit courts of appeal would only require a change in economic circumstances or a business purpose. By enacting Code Section 7701(o), Congress eliminated any distinction between the different federal circuit courts of appeal as to whether the foregoing test should be applied conjunctively or disjunctively.

Although Congress eliminated the ambiguity around “how” the economic substance doctrine should be applied, it did not make it clear as to “when” the doctrine should be applied. By its terms, Code Section 7701(o) provides that the economic substance doctrine applies only to a “transaction to which the economic substance doctrine is relevant.”¹¹⁹ Thus, the Code requires taxpayers and the IRS to look to common law precedent on the economic substance doctrine to determine whether the statutory economic substance doctrine applies at all.¹²⁰

The legislative history to Code Section 7701(o) provides limited guidance as to whether the economic substance doctrine applies in the first instance. Specifically, the House Report states that it does not intend for the provision to alter the tax treatment of “certain basic business transactions that, under longstanding judicial and administrative practice are respected, merely because the choice between meaningful economic alternatives is largely or entirely based on comparative tax advantages.”¹²¹ The House Report goes on to note that, “as under present law,

¹¹⁸ See, e.g., *Klamath Strategic Investment Fund v. United States*, 568 F.3d 537 (5th Cir. 2009); *Coltec v. United States*, 454 F.3d 1340 (Fed. Cir. 2006); *United Parcel Service of America, Inc.*, 254 F.3d 1014.

¹¹⁹ I.R.C. § 7701(o)(1) (emphasis added).

¹²⁰ H.R. Rep. No. 111-443 at 297 (March 17, 2010) (the “**House Report**”); see also Technical Explanation of the Revenue Provisions of the “Reconciliation Act of 2010,” as amended, in combination with the “Patient Protection and Affordable Care Act,” JCX-18-10 at 154 (March 21, 2010).

¹²¹ H.R. Rep. 111-443 at 296.

ExchangeRight Real Estate, LLC

October 31, 2025

Page 44

whether a particular transaction meets the requirements for specific treatment under any of these provisions is a question of facts and circumstances.”¹²²

In addition, the Large Business and International Division of the IRS issued guidance to assist examiners and their managers with determining whether it is appropriate to raise the economic substance doctrine with respect to a transaction under review (the “*LB&I Directive*”).¹²³ The LB&I Directive lists factors tending to show that it likely would be inappropriate to apply the economic substance doctrine, such as if (i) the transaction was not highly structured, (ii) the transaction was based on arms’ length terms negotiated by unrelated third parties, (iii) the transaction did not involve unnecessary steps, (iv) the transaction was not promoted by a tax department or outside counsel, or (v) the transaction generates targeted tax incentives that are, in form and substance, consistent with Congressional intent in providing the incentives.¹²⁴

2. Analysis

The Trust’s contractual arrangements should be recognized for federal income tax purposes according to their form. The contractual arrangements and transactions at issue should be viewed as having economic substance because they are being undertaken so as to enable acquisition and ownership of a portion of each of the Properties by the Owners. An acquisition of real estate certainly changes in a meaningful, economic way (apart from any U.S. federal income tax effects) each of the Owners’ respective economic positions. Because each Owner will be given an opportunity to own an interest in each of the Properties in a manner that such Owner would likely not otherwise be able to do on its own accord due to its respective individual financial limitations, the contractual arrangements and the transactions at issue have a substantial business purpose (i.e., a substantial purpose apart from U.S. federal income tax effects). In addition, each Owner will have a right to its pro rata share of all income and loss generated by the bona fide, profit-seeking business of operating the Properties. The allocation of all economic benefits and burdens associated with the Properties will correspond to the respective Interest owned by each Owner. Because the Trust’s contractual arrangements have a meaningful business purpose and economic substance under both the statutory and case law analyses, the contractual arrangements should be respected.

¹²² *Id.*

¹²³ LB&I Directive, Guidance for Examiners and Managers on the Codified Economic Substance Doctrine and Related Penalties, Control No: LB&I-4-0711-015 (July 15, 2011).

¹²⁴ *Id.*

ExchangeRight Real Estate, LLC
October 31, 2025
Page 45

B. Sham Transaction Doctrine

1. Applicable Rules

Under the sham transaction doctrine, a transaction may be disregarded if it constitutes a factual sham or an economic sham. A factual sham is a purported transaction that is not executed as a factual matter.¹²⁵ In contrast, an economic sham is a transaction that has occurred, but is devoid of economic substance.¹²⁶

In general, the economic sham doctrine will not be applied if the taxpayer can prove that there is either a business purpose for, or economic substance to, the given transaction.¹²⁷

The application of the sham transaction doctrine is extremely fact specific, and has led courts to render somewhat inconsistent rulings in this area. For example, the Third Circuit in *ACM Partnership v. Commissioner* disregarded the capital loss that arose from a complex, multi-step partnership transaction.¹²⁸ The court ultimately concluded that the steps involved in the transaction lacked a non-tax economic effect and did not possess a significant non-tax business purpose.¹²⁹ The Third Circuit nevertheless recognized that “it is well established that where a transaction objectively affects the taxpayer’s net economic position, legal relations, or non-tax business interests, [a transaction] would not be disregarded merely because it was motivated by tax considerations.”¹³⁰ The transaction at issue in *Boca Investering Partnership v. United States*¹³¹ was similar to the ACM transaction, but the District Court for the District of Columbia

¹²⁵ *Brown v. Comm’r*, 85 T.C. 968, 1000 (1985), *aff’d sub nom.*, *Sochin v. Comm’r*, 843 F.2d 351 (9th Cir. 1988).

¹²⁶ *Gregory v. Helvering*, 293 U.S. 465; *Knetsch*, 364 U.S. at 366 (“There may well be single-premium annuity payments with non-tax substance which create an ‘indebtedness’ for the purposes of Section 23(b) of the 1939 Code and Section 163(a) of the 1954 Code. But this one is a sham.”); *Goldstein*, 364 F.2d at 742 (“[T]ransactions that lack all substance, utility, purpose, and which can only be explained on the ground the taxpayer sought an interest deduction in order to reduce his taxes, will also be so transparently arranged that they can candidly be labeled ‘shams.’”); *Alessandra v. Comm’r*, T.C. Memo. 1995-238 (1995), *aff’d*, 79 A.F.T.R.2d (RIA) 97-2145 (9th Cir. 1997).

¹²⁷ *Rice’s Toyota World*, 81 T.C. at 203 (“Our analysis does not end here. Mr. Rice’s failure to focus on the business or non-tax aspects of the transaction is not necessarily fatal to petitioner’s claim. If an objective analysis of the investment indicates a realistic opportunity for economic profit which would justify the form of the transaction, it will not be classified as a sham.”). See also *Frank Lyon Co.*, 435 U.S. 561.

¹²⁸ 157 F.3d 231, 263 (3d Cir. 1998).

¹²⁹ *Id* at 247.

¹³⁰ *Id* at 248, fn. 31.

¹³¹ 314 F.3d 625 (DC Cir. 2003).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 46

respected the partnership transactions at issue in that case. The *Boca* court concluded that the partnership had been formed as a valid investment partnership. It had the potential to make a profit or loss from its activities, and the partners were not sheltered from economic risk or guaranteed a specific return on their respective partnership investments.

The Fifth and Eighth Circuits have held that certain foreign tax credit planning strategies implemented to achieve tax benefits must be recognized under the sham transaction doctrine because the transactions were sufficiently imbued with both economic substance and business purpose. The Fifth Circuit in *Compaq Computer Corporation v. Commissioner*¹³² reversed a decision of the Tax Court, and held that a purchase and immediate resale of American depository receipts (“*ADRs*”) of a foreign publicly traded corporation possessed economic substance. Specifically, the court concluded that the transaction had objective economic substance because tax was Compaq’s principal, but not sole, purpose in entering into the transaction.¹³³ As a result, Compaq could credit the foreign taxes associated with the dividend.¹³⁴ The Eighth Circuit came to a similar conclusion in *IES Industries, Inc. v. United States*,¹³⁵ which reversed a district court decision that a purchase and sale of ADRs were sham transactions.

2. Analysis

The sham transaction doctrine should also not apply to the contractual arrangements and transactions at issue because all of the necessary component steps for their implementation will actually occur. Moreover, the economic sham concept should not apply because the parties have a substantial business purpose in undertaking the investment in the Interests, and, as discussed above, the transactions will have economic substance. Thus, the sham transaction doctrine should not be applied to recharacterize the contractual arrangements and transactions at issue.

¹³² 277 F.3d 778 (5th Cir. 2001), *rev’g* 113 T.C. 214 (1999).

¹³³ *Id.* at 786-87.

¹³⁴ *Id.* at 788.

¹³⁵ 253 F.3d 350 (8th Cir. 2001), rehearing denied *sub nom.*, *Alliant Energy Corp. v. United States*, 2001 U.S. App. LEXIS 24929 (8th Cir. 2001) (the facts of *Compaq Computer* and of *IES Industries* are in large part identical because the strategy upon which the transactions were based was developed and marketed by the same securities broker).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 47

C. The Substance-Over-Form and Step Transaction Doctrines

1. Applicable Rules

It is an oft-cited principle that taxpayers generally are free to structure their business transactions as they please, even if motivated in part by a desire to reduce taxes.¹³⁶ However, as a general rule, the incidence of taxation depends on the substance rather than the form of a transaction. Under the substance-over-form doctrine, a court should respect the form of a transaction where it accurately reflects the underlying substance.” If, however, the substance and form of a transaction do not comport, then the substance of the transaction controls for purposes of U.S. federal tax law.”¹³⁷

In determining whether the form of a transaction reflects the substance of the transaction, a taxpayer’s motivations are “largely irrelevant — what instead is important is, in the words of Gregory, “what was done.”¹³⁸ “To determine the substance of the transactions, we consider all of their aspects that shed any light upon their true character.”¹³⁹

Courts may recharacterize transactions using the substance-over-form doctrine in cases where mere formalities were designed to make a transaction appear to be other than what it was.¹⁴⁰ For example, in *Court Holding*, a corporation entered into an oral agreement to sell its sole asset; however, before the sale was consummated, the corporation’s tax attorney advised that the sale would result in the imposition of a large income tax on the corporation. To avoid this tax liability, and upon advice of its tax attorney, the corporation changed the transaction by having the corporation declare a liquidating dividend to its shareholders, and having the shareholders enter into a written agreement with the same purchaser on substantially the same terms and conditions previously agreed upon by the corporation. The Supreme Court affirmed the Tax Court’s holding that the sale by the shareholders was in substance a sale by the corporation.

The application of any substance-over-form doctrine is extremely fact specific, which has led courts to render somewhat inconsistent rulings in this area.¹⁴¹ There are a number of cases in this area that are difficult to reconcile. Nevertheless, as enunciated by Judge Learned Hand in *Gregory*

¹³⁶ *Gregory v. Helvering*, 293 U.S. at 499.

¹³⁷ *AWG Leasing Trust v. U.S.*, 592 F. Supp. 2d 953 (N.D. Ohio 2008).

¹³⁸ *Principal Life Ins. Co. & Subs. v. U.S.*, 70 Fed. Cl. 144 (2006).

¹³⁹ *Commc’ns Satellite Corp. v. U.S.*, 223 Ct. Cl. 253, 625 F.2d 997 (1980).

¹⁴⁰ *Comm’r v. Court Holding Co.*, 324 U.S. 331 (1945).

¹⁴¹ See, e.g., *ACM Partnership*, 157 F.3d at 263; *Boca Investorings Partnership*. 167 F. Supp. 2d 298 .

ExchangeRight Real Estate, LLC

October 31, 2025

Page 48

v. Helvering: “Any one may so arrange his affairs that his taxes shall be as low as possible; he is not bound to choose that pattern which will best pay the Treasury; there is not even a patriotic duty to increase one’s taxes.”¹⁴²

A subset or derivation of the substance-over-form doctrine is the step transaction doctrine. Courts have applied three separate versions of the so-called “step transaction” doctrine to determine whether purportedly separate steps should be combined as components of a single transaction: (i) the “end result” test, (ii) the “mutual interdependence” test, and (iii) the “binding commitment” test.¹⁴³ Nevertheless, the IRS cannot use the step transaction doctrine to invent steps that did not occur or recast a transaction into another transaction with the same number of steps.¹⁴⁴

The Tax Court applied both the end result and mutual interdependence tests in *Andantech v. Commissioner*, in which a U.S. partnership was formed with two non-U.S. partners to cause the foreign partners to recognize a significant portion of the income attributable to a sale leaseback transaction that the partnership entered into with Comdisco.¹⁴⁵ Almost all of the partnership interests were then contributed to a U.S. indirect subsidiary of a U.S. bank, so that the bank could enjoy the benefits of the losses (attributable to interest and depreciation) generated by the partnership’s lease arrangement with Comdisco.¹⁴⁶ The Tax Court, applying both the end result and mutual interdependence tests, concluded that a more direct characterization of the transaction was a direct sale-leaseback arrangement between Comdisco and bank’s subsidiary.¹⁴⁷ The court analyzed a number of facts in reaching this conclusion, but the salient fact was that all of the parties intended the ultimate result (i.e., that bank’s subsidiary would participate in the lease) and the intermediate steps were meaningless apart from tax considerations.

The Second Circuit rejected a somewhat similar argument by the IRS in *Grove v. Commissioner*.¹⁴⁸ The IRS in *Grove* attempted to reorder a donation of stock followed by a redemption as a

¹⁴² 69 F.2d 809, 810 (2d Cir. 1934) *aff’d*, 293 U.S. 465 (1935).

¹⁴³ Stephen S. Bowen, *The End Result Test*, 72 TAXES 722 (December 1994).

¹⁴⁴ *Esmark, Inc. and Affiliated Companies v. Comm’r*, 90 T.C. 171, 196 (1988) (“Respondent proposes to recharacterize the tender offer/redemption as a sale of the Vickers shares followed by a self-tender. This characterization does not simply combine steps; it invents new ones. Courts have refused to apply step-transaction in this manner.”), *aff’d without published opinion*, 886 F.2d 1318 (7th Cir. 1989).

¹⁴⁵ T.C. Memo. 2002-97 (2002), *aff’d in part and remanded in part*, 331 F.3d 972 (DC Cir. 2003).

¹⁴⁶ *Id.*

¹⁴⁷ *Id.*

¹⁴⁸ 490 F.2d 241 (2d Cir. 1973).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 49

redemption of the stock followed by a gift of cash. The Tax Court refused to permit the IRS to recast the transaction, reasoning that there was no reason to recast the form of the transaction chosen by the taxpayer, even though the form was tax-motivated.¹⁴⁹ The only effect of the IRS's recast would be to create a tax liability, in a transaction form that was no more direct than the form chosen by the taxpayer. Thus, the mere fact that a taxpayer considers the U.S. federal income tax effects of a transaction in its planning should not transform a non-taxable event into a taxable event.

2. Analysis

The contractual arrangements and the transactions at issue should be respected according to their form because their form is consistent with their underlying substance, the acquisition by the Owners of an undivided fractional interest in each of the Properties, and there is a substantial business purpose for such form. Moreover, the allocation of all economic benefits and burdens associated with the Properties corresponds to the respective Interest in the Trust owned by each Owner such that the substance of the economic arrangement among the parties is consistent with the form.

The step transaction doctrine should not be applicable to recharacterize the contractual arrangements and the transactions at issue. The prospective purchasers of Class 1 interests constitute a separate, diverse and unrelated group desiring to acquire a portion of an interest in each of the Properties as offered by the Trust under a private placement of the Interests. The ultimate result of the contractual arrangements (i.e., collective ownership of the Properties by an unrelated group of investors) can only be achieved if the intermediate steps of (i) the Trust acquiring the Properties, and (ii) offering the Interests for sale to investors are first undertaken. Thus, the step transaction doctrine should not be applied to recharacterize the transaction steps utilized to implement the Offering of Interests in the Trust. Moreover, even if the IRS were to collapse these particular transaction steps together, the resulting transaction, a direct purchase of the Properties by the Owners, should not significantly change the resulting federal income tax effect of the Trust's contractual arrangements.

¹⁴⁹ *Id.* at 247 (“We are not so naive as to believe that tax considerations played no role in Grove’s planning. But, foresight and planning do not transform a non-taxable event into one that is taxable. Were we to adopt the Commissioner’s view, we would be required to recast two actual transactions - a gift by Grove to RPI and a redemption from RPI by the Corporation - into two completely fictional transactions - a redemption from Grove by the Corporation and a gift by Grove to RPI. Based upon the facts as found by the Tax Court, we can discover no basis for elevating the Commissioner’s ‘form’ over that employed by the taxpayer in good faith.”).

ExchangeRight Real Estate, LLC

October 31, 2025

Page 50

A number of issues discussed in this opinion have not been definitively resolved by statutes, regulations, rulings or judicial opinions. Accordingly, no assurances can be given that the conclusions expressed herein will be accepted by the IRS, or, if contested, would be sustained by a court, or that legislative changes or administrative pronouncements or court decisions may not be forthcoming that would significantly alter or modify the conclusions expressed herein. Each prospective Owner must consult its own tax counsel about the tax consequences of an investment in an Interest, including the tax consequences applicable to such prospective Investor under the TCJA.

This opinion is solely for your information and assistance with respect to the sale of Interests in the Properties. Each prospective Owner is encouraged to consult with his or her tax advisor in determining whether to purchase an Interest. Other than as set forth herein, this opinion may not be relied upon by any other person or for any other purposes, nor may it be quoted from or referred to or copies delivered to any other person without prior written consent. This opinion is not applicable as to any individual tax consequences of an Owner or the individual application of Code Section 1031 rules to such Owner. Our willingness to render the opinion set forth herein neither implies, nor should be viewed as implying, any approval or recommendation of an investment in the Properties.

In rendering our opinion, we have considered the applicable provisions of the Code, final, temporary and proposed regulations thereunder, pertinent judicial authorities, interpretive rulings and revenue procedures issued by the IRS and such other authorities as we have considered relevant as of the date of this opinion. It should be noted that statutes, regulations, judicial decisions and administrative interpretations are subject to change at any time and, in some cases, with retroactive effect. This opinion is not binding upon the IRS or courts of applicable jurisdiction, which may disagree with all or any portion of the opinion expressed herein. We undertake no obligation to update the opinion expressed herein after the date of this letter. Furthermore, our opinion is conditioned upon the accuracy and completeness of the representations set forth in the Representation Letter. This opinion does not address any other tax consequences of the acquisition of an Interest.

This opinion is written to support the promotion and marketing of the proposed transaction, and each prospective Owner should seek advice based on the Owner's particular circumstances from an independent tax advisor.

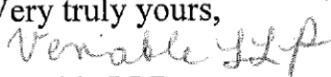
ExchangeRight Real Estate, LLC

October 31, 2025

Page 51

We are furnishing this opinion solely in connection with the sale of the Interests described herein. Accordingly, the Trust may only circulate this opinion in connection with the sale of the Interests to potential Owners. This opinion may be relied upon by Owners in connection with their purchase of Interests, but may not be relied upon, circulated, quoted or otherwise referred to by other persons in connection with any other transaction or arrangement.

Very truly yours,



Venable LLP

EXHIBIT G

PRO FORMA RENT AND CASH FLOWS FOR THE PROPERTIES

Exhibit G
Pro Forma Rent & Cash Flows

Year Ending	10/31/2026	10/31/2027	10/31/2028	10/31/2029	10/31/2030	10/31/2031	10/31/2032	10/31/2033	10/31/2034	10/31/2035
	1	2	3	4	5	6	7	8	9	10
BioLife Plasma Services - Kissimmee	\$573,564	\$579,300	\$585,093	\$590,944	\$596,853	\$602,822	\$608,850	\$614,939	\$621,088	\$627,299
BioLife Plasma Services - Kyle	\$629,324	\$635,617	\$641,973	\$648,393	\$654,877	\$661,426	\$668,040	\$674,720	\$681,467	\$688,282
BioLife Plasma Services - Mobile	\$515,502	\$520,657	\$525,863	\$531,122	\$536,433	\$541,797	\$547,215	\$552,688	\$558,214	\$563,797
Tractor Supply - Caledonia	\$380,160	\$380,160	\$380,160	\$380,160	\$380,160	\$399,168	\$399,168	\$399,168	\$399,168	\$399,168
Tractor Supply - Rome	\$439,000	\$439,000	\$439,000	\$439,000	\$449,975	\$460,950	\$460,950	\$460,950	\$460,950	\$472,474
Tractor Supply - Stockbridge	\$337,740	\$337,740	\$337,740	\$337,740	\$337,740	\$354,627	\$354,627	\$354,627	\$354,627	\$354,627
Net Operating Income	\$2,875,290	\$2,892,474	\$2,909,829	\$2,927,359	\$2,956,038	\$3,020,790	\$3,038,850	\$3,057,091	\$3,075,515	\$3,105,647
Property Management	\$71,882	\$72,312	\$72,746	\$73,184	\$73,901	\$75,520	\$75,971	\$76,427	\$76,888	\$77,641
Ongoing Reserves*	\$48,459	\$48,459	\$48,459	\$48,459	\$48,459	\$48,459	\$48,459	\$48,459	\$48,459	\$48,459
Annual Ins., Tax, Bank Fees, and Filing Costs	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Asset Management	\$11,501	\$11,570	\$11,639	\$11,709	\$11,824	\$12,083	\$12,155	\$12,228	\$12,302	\$12,423
Net Investor Cash Flow	\$2,723,448	\$2,740,133	\$2,756,986	\$2,774,006	\$2,801,854	\$2,864,728	\$2,882,265	\$2,899,977	\$2,917,866	\$2,947,124
Net Cash Flow % of Equity	5.15%	5.19%	5.22%	5.25%	5.30%	5.42%	5.46%	5.49%	5.52%	5.58%

*\$779,659 of initial tax and insurance prepaids and reserves, and reserves for operations and repairs is being funded upfront as part of this offering. The DST anticipates reserving \$48,459 per year to provide additional operational reserves for the benefit of the trust, which is reflected in the ongoing reserve figures presented above. These additional receipts are anticipated to increase the Trust's reserve funding for the benefit of investors during that same period.

The Manager anticipates selling this portfolio of Properties as a part of an anticipated larger aggregation strategy. The exit strategy is intended to capitalize on ExchangeRight's REIT platform and aggregation strategy by having the REIT platform acquire the DST interests and targeting to provide investors with the option to (1) complete an exchange pursuant to Section 721 of the Code into the acquiring ExchangeRight REIT; (2) participate in a tax-deferred cash out financing targeting 20% of their total investment value to be distributed as financing proceeds and an exchange of the remaining equity interests under Section 721 of the Code; (3) complete a Section 1031 Exchange; (4) cash out (not tax-deferred); or (5) a combination of the above exit options. If market conditions will not maximize value for the Owners through a disposition at the time of the aggregation, it is the Sponsor's intention to utilize the aggregation strategy to provide ample diversification and scale to mitigate lease rollover risk, maintain the Owners' distributions, and protect the Owners' principal until the opportune time when market pricing is favorable. While there can be no guarantee that the Sponsor will meet its target or that a liquidity or exit transaction will take place within our targeted time frame, the Sponsor intends to pursue such an exit or liquidity event if it believes that it will be in the best interests of the Owners and will provide them with enhanced liquidity and value.

This offering is dated October 31, 2025. Year one net operating income is annualized to reflect of a full year of operations from each property. Investing in this offering involves risk. There is no guarantee that these cash flows will be achieved. Please review this Private Placement Memorandum in its entirety, so that you may understand and weigh the potential benefits and risks accordingly, before making any investment decision. Past performance of the sponsor and its principals is no guarantee of future performance.