

Assumptions and Notes for the Forecast

1. The Trust acquired the Property on April 28, 2025 from the seller of the Property for \$56,600,000, excluding direct and indirect costs and fees as noted below and in the Financial Forecast the Trusts financed the acquisition of the Properties with the Depositor Contributions. The Trust financed its acquisition of the Property with (a) a \$30,739,000 first mortgage loan from Keybank National Association under the Federal National Mortgage Association (Fannie Mae) Delegated Underwriting and Servicing (DUS) loan program, and (b) with the cash portion of the Depositor Contribution to the Trust, including proceeds of the Bridge Financing, in the amount of \$20,000,000. The Loan requires the Trust to make monthly, interest-only payments, calculated on the basis of a 360-day year, in an annual amount equal to approximately \$122,649-\$135,790, on each payment date through May 1, 2035. The carry costs on the Bridge Financing over the projected 5-month sellout period are projected to have a blended rate of approximately 8.00% per annum, or approximately \$961,689 as projected. The total cost of acquiring the Property, including the contract price, transactional closing costs, fees and financing closing costs was \$61,147,523.
2. The difference between the contract price payable to Seller, \$56,600,000, and the total proceeds of \$68,517,539 from the Offering, including Depositor's share of the Interests, represents all estimated costs and expenses related to the Offering, marketing, and transferring of the Interests, the amount of the Supplemental Reserve Account (defined below), other Trust reserves and escrows and the payment of the Acquisition Fee in the amount of \$1,415,000. The annualized cash on cash return is calculated based on the \$37,778,539 of Class 1 Interests being sold to Investors (100% ownership of the Trust).
3. The income forecast for the Property is based on the rent roll, recent leases, market conditions and other income for the forward 20 months ended December 2026. Underlying assumptions include (1) a vacancy factor of 5.5%; (2) a residential rent general inflation of 3.0%; (3) fee-based and utility reimbursement income with a general inflation factor of 2.75%; (4) controllable expenses (consisting of payroll, maintenance and repairs, landscaping and turnover, and marketing and administration expenses) based on a general inflation factor of 2.75%; and (5) uncontrollable expenses (consisting of utilities, taxes, and insurance) based on a general inflation factor of 2.75% to 10%.
4. Sponsor will be entitled to an annual asset management fee pro-rata and as set forth in the Management Agreement equal to 0.20% of the total capitalization of the Trust.
5. The Master Tenant will pay an annual property management fee in the initial amount equal to 2.50%, of the gross income generated by the Property. The Property Manager has subcontracted all day-to-day, on-site management, leasing and related functions for the Property to an unaffiliated sub-manager and expects to pass thru to the sub-manager the full 2.50% property management fee. The initial Property Sub-Manager is RPM Living.
6. The rent payable under the Master Lease consists of: (1) an amount of Base Rent payable in arrears on the last day of each calendar month (the annual Base Rent amount being \$2,671,988 for the 20 months ended 2026; (2) Additional Rent equal to the amount by which annual Gross Income (as defined in the Master Lease) exceeds the annual Additional Rent Breakpoint, as provided in the Master Lease (such breakpoint being \$5,826,000 for the 20 months ended 2026) up to a maximum annual amount (such amount being \$4,280,000 in 2034); and (3) Supplemental Rent equal to 90% of the amount by which annual Effective Gross Revenue exceeds the annual Supplemental Rent Breakpoint, as provided in the Master Lease (such breakpoint being \$8,503,000 for the 20 months ended 2026) ("**Supplemental Rent**" and, collectively with the Base Rent and the Additional Rent, collectively the "**Rent**"). The difference between the Base Rent and the Additional Rent Breakpoint for the Property for a given month, if any, after taking into account any expenses of the Property, will inure to the benefit of the Master Tenant, BR Churchill Downs Leasco, LLC. The Trust anticipates that this will result in additional income ranging from approximately \$50,237 to \$129,976 per year to the Master Tenant. Such amounts will not be available for distributions to the Trust or the Investors. The Master Tenant must pay the Base Rent to the Lender, as required, in accordance with the terms of the Loan Documents. The Additional Rent will be estimated and paid to the Trust on a monthly basis with year-end reconciliation. Supplemental Rent, if payable, is payable in arrears within 90 days after the end of each year. In addition, the Trust will be responsible for (and Rent will be reduced by) the amount by which the actual Uncontrollable Costs (with "**Uncontrollable Costs**" being comprised of property taxes, utility and insurance costs) exceed the Projected Uncontrollable Costs (as defined in the Master Lease and shown on Appendix I, *Financial Forecast*), and

the Master Tenant will pay to Appendix I – Page 5 the Trust (as Appendix I – Page 5 Additional Rent) the amount, if any, by which the Projected Uncontrollable Costs are greater than the actual Uncontrollable Costs.

7. Loan proceeds were used to fund in advance \$716,609 into a Lender-controlled reserve account required under the Loan Documents (the “Lender Replacement Reserve”, and “Tax and Insurance Escrow”). The Trust will also establish (and control) a reserve funded from proceeds of the Offering for Property costs and expenses, in the initial amount of \$3,000,000 (the “Supplemental Trust Reserve”), same being available to Master Tenant for Landlord Costs and Lender Reserve requirements. Any amount remaining in the reserve accounts upon the sale of the Property shall be distributed to the Investors based on their respective pro rata Interests. The Property Condition Assessment (“PCA”) from GRS Group indicated that the Property is in generally good condition for properties of similar type and age in the area. The PCA Report identified that there are \$81,350 in immediate repairs consisting of \$1,500 for repairing sidewalk tripping hazards outside certain units, \$500 for restriping an ADA parking space to make it van accessible, and \$79,350 for the demolition of a building that incurred fire damage. The PCA Report identified certain long-term replacement and repair needs for the Property totaling \$1,213,608 in inflated dollars (\$372 per unit per year), assuming a 12-year holding period and an inflation rate of 2.5%. These long-term replacement and repair needs include the following items: **Site:** Asphalt paving – seal coat and restripe (\$57,750), replace swimming pool filter equipment (\$2,500), and reline swimming pool (\$7,500). Subtotal: \$67,750. **Structural Frame and Building Envelopes:** Exterior maintenance (\$54,400) and replace asphalt shingle roofing (\$229,500). Subtotal: \$283,900. **Mechanical/Electrical/Plumbing Systems:** Replace water heaters (\$70,525), replace condensers (\$151,900), and replace fan-coil units (\$48,900). Subtotal: \$271,325. **Interior Elements:** Replace carpet (\$204,000), replace sheet vinyl (\$54,250), replace ranges (\$53,464), replace refrigerators (\$84,847), replace microwaves (\$2,160), and replace dishwashers (\$47,740). Subtotal: \$446,461.

Following completion of the sale of the Maximum Offering Amount, the Trust would have approximately \$3,000,000 in the Supplemental Trust Reserve, \$102,225 in the Trust Operating Account available for use by the Master Tenant with respect to initial operating costs at the Property, \$211,072 in the Replacement Reserve Account (totaling \$3,313,297) available for improvements to and maintenance of the Property, which is higher than the \$1,213,608 estimated capital repair items in the Assessment.

8. The Forecasted Statement of Cash Flows depicts the Tax Equivalent Yield and the Percentage of Income Sheltered through the Offering based on the following depreciation assumptions. Allocations to building and site are derived from UHY, LLP estimates which assume 90.0% allocation to the building. The building allocation amount of \$54,153,397 is depreciated over 30 years for a total annual depreciation amount of \$1,805,113. The calculations are also based on an assumed effective tax rate of 40% of taxable income.

9. Annual property tax estimates were derived with the assistance of a tax consultant Ryan, LLC.

Investment Summary
BR Churchill Downs, DST

OFFERING SUMMARY

Offering Price		Financing Terms		20 months ending 2026 Return	
20 Months Annualized Net Operating Income	\$ 3,267,692	Mortgage Principal	\$30,739,000	Additional Rent	\$ 2,676,667
Capitalization Rate ¹	5.77%	Interest Rate	5.13%	Asset Management Fee ²	(188,667)
Offering Price	\$68,517,539	Amortization	10 Year Interest Only, 30 Year Amortization	Cash from Additional Rent	\$ 2,488,000
Gross Loan Proceeds	\$30,739,000	Annual Interest Only Payment	\$ 1,598,812	Supplemental Rent	15,302
Upfront DST Escrow / Repair Reserve	(211,072)	Annual Principal and Interest Payment	N/A	Net Cash Flow	\$ 2,503,302
Tax / Insurance / Repair / Interest Escrows	(505,537)	Maturity Date	May 1, 2035	Annualized Cash on Cash Return	4.28%
Net Loan Proceeds	\$30,022,391				
Offering Proceeds	\$ 37,778,539				

ESTIMATED USE OF PROCEEDS

Sources

Offering Proceeds	\$ 37,778,539
Gross Loan Proceeds	\$30,739,000
Total Sources	\$ 68,517,539

Application

		% of Offering Proceeds	% of Total Proceeds
<u><i>Selling Commissions and Fees</i></u>			
Sales Commission	\$ 2,266,712	6.00%	3.31%
Managing Broker Dealer Fee	\$ 528,900	1.40%	0.77%
Marketing/Due Diligence Allowance Expense	\$ 472,232	1.25%	0.69%
Organization and Offering Expenses	\$ 283,339	0.75%	0.41%
Total	\$ 3,551,183	9.40%	5.18%
<u><i>Acquisition Expenses & Trust Accounts</i></u>			
Total Acquisition Costs	\$ 61,147,523		89.24%
Trust-Controlled Reserves	\$ 3,000,000		4.38%
Trust Operating Account/Security Deposits	\$ 102,225		0.15%
Lender-Controlled Reserves	\$ 716,609		1.05%
Total	\$ 64,966,357		94.82%

Total Application	\$ 68,517,539
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Total Acquisition Expenses

Real Estate Acquisition Price	\$ 56,600,000
Acquisition Fee	1,415,000
<u><i>Acquisition Closing Costs</i></u>	
Closing and Title Costs	\$ 134,605
Third Party Reports and Due Diligence	\$ 133,917
Legal Costs	\$ 416,031
	\$ 684,552
<u><i>Financing Closing Costs</i></u>	
Lender Closing & Transfer Costs	\$ 1,037,774
Loan-Related Costs	\$ 1,410,197
	\$ 2,447,970
Total Acquisition Expenses	\$ 61,147,523

1 Based on first 20 months nominal NOI. Assumes base purchase price of \$56,600,000.

2 100% asset management fee deferral in 20 Months Ending 2026

**Net Operating Income Summary
BR Churchill Downs, DST**

	20 months ending 2026	2027	2028	2029	2030	2031	2032	2033	2034	4 months beginning 2035
Total Gross Potential Rent	\$ 8,316,097	\$ 5,185,908	\$ 5,343,672	\$ 5,506,235	\$ 5,673,743	\$ 5,846,347	\$ 6,024,203	\$ 6,207,469	\$ 6,396,310	\$ 2,175,056
Value Add Income	88,935	95,986	110,104	156,164	175,318	180,577	185,995	191,575	197,322	66,997
Other Income	860,300	535,868	551,944	568,502	585,557	603,124	621,218	639,854	659,050	221,837
Total Income	\$ 9,265,331	\$ 5,817,762	\$ 6,005,719	\$ 6,230,901	\$ 6,434,618	\$ 6,630,049	\$ 6,831,415	\$ 7,038,898	\$ 7,252,682	\$ 2,463,890
Vacancy and Credit Loss	(745,329)	(431,406)	(445,445)	(434,173)	(419,240)	(431,989)	(445,125)	(458,661)	(472,608)	(160,702)
Gross Income	\$ 8,520,003	\$ 5,386,356	\$ 5,560,274	\$ 5,796,728	\$ 6,015,378	\$ 6,198,060	\$ 6,386,290	\$ 6,580,237	\$ 6,780,073	\$ 2,303,188
Payroll	\$ 757,533	\$ 471,485	\$ 484,451	\$ 497,773	\$ 511,462	\$ 525,527	\$ 539,979	\$ 554,828	\$ 570,086	\$ 190,631
Repairs and Maintenance	142,037	88,403	90,835	93,332	95,899	98,536	101,246	104,030	106,891	35,743
Landscaping and Turnover	282,451	175,797	180,631	185,598	190,702	195,947	201,335	206,872	212,561	71,078
Admin and Marketing	273,733	170,370	175,056	179,870	184,816	189,898	195,121	200,486	206,000	68,884
Total Controllable Expenses	\$ 1,455,755	\$ 906,055	\$ 930,972	\$ 956,573	\$ 982,879	\$ 1,009,908	\$ 1,037,681	\$ 1,066,217	\$ 1,095,538	\$ 366,336
Utilities	\$ 516,485	\$ 321,458	\$ 330,298	\$ 339,381	\$ 348,714	\$ 358,304	\$ 368,157	\$ 378,282	\$ 388,685	\$ 129,972
Taxes	530,766	369,804	373,502	377,237	387,611	398,271	409,223	420,477	432,040	147,974
Insurance	357,843	242,232	266,456	293,101	322,411	354,652	390,118	429,129	472,042	162,265
Total Uncontrollable Expenses	\$ 1,405,095	\$ 933,495	\$ 970,256	\$ 1,009,720	\$ 1,058,737	\$ 1,111,227	\$ 1,167,498	\$ 1,227,888	\$ 1,292,767	\$ 440,210
Property Management Fee	\$ 213,000	\$ 134,659	\$ 139,007	\$ 144,918	\$ 150,384	\$ 154,952	\$ 159,657	\$ 164,506	\$ 169,502	\$ 57,580
Total Expenses	\$ 3,073,850	\$ 1,974,209	\$ 2,040,235	\$ 2,111,211	\$ 2,192,001	\$ 2,276,087	\$ 2,364,836	\$ 2,458,611	\$ 2,557,806	\$ 864,126
Net Operating Income	\$ 5,446,153	\$ 3,412,147	\$ 3,520,040	\$ 3,685,517	\$ 3,823,378	\$ 3,921,973	\$ 4,021,454	\$ 4,121,626	\$ 4,222,267	\$ 1,439,061

Forecasted Statement of Cash Flows
BR Churchill Downs, DST

	20 months ending 2026		2027		2028		2029		2030		2031		2032		2033		2034		4 months beginning 2035	
GROSS INCOME	\$	8,520,003	\$	5,386,356	\$	5,560,274	\$	5,796,728	\$	6,015,378	\$	6,198,060	\$	6,386,290	\$	6,580,237	\$	6,780,073	\$	2,303,188
Total Expenses		3,073,850		1,974,209		2,040,235		2,111,211		2,192,001		2,276,087		2,364,836		2,458,611		2,557,806		864,126
NET OPERATING INCOME	\$	5,446,153	\$	3,412,147	\$	3,520,040	\$	3,685,517	\$	3,823,378	\$	3,921,973	\$	4,021,454	\$	4,121,626	\$	4,222,267	\$	1,439,061
Master Lease Rent																				
BASE RENT																				
(Debt Service)		2,671,988		1,598,812		1,603,193		1,598,812		1,598,812		1,598,812		1,603,193		1,598,812		1,598,812		525,637
(Lender Replacement Reserves)	\$	175,902		108,444		111,426		114,490		117,639		120,874		124,198		127,613		131,123		134,729
Trust Reserve Account Contributions		(175,902)		(108,444)		(111,426)		(114,490)		(117,639)		(120,874)		(124,198)		(127,613)		(131,123)		(134,729)
Master Tenant Base Income ¹		80,162		86,979		96,573		129,976		129,187		125,101		121,971		122,577		123,381		50,237
ADDITIONAL RENT																				
Additional Rent Breakpoint	\$	5,826,000	\$	3,660,000	\$	3,740,000	\$	3,840,000	\$	3,920,000	\$	4,000,000	\$	4,090,000	\$	4,180,000	\$	4,280,000	\$	1,440,000
Additional Rent	\$	2,676,667		1,719,200		1,719,200		1,719,200		1,719,200		1,719,200		1,719,200		1,719,200		1,719,200		573,067
Asset Management Fee		(188,667)		(113,200)		(113,200)		(113,200)		(113,200)		(113,200)		(113,200)		(113,200)		(113,200)		(37,733)
Deferred Asset Management Fee		188,667		-		-		-		-		-		-		-		-		-
Additional Rent Cash Flow ²	\$	2,676,667		1,606,000		1,606,000		1,606,000		1,606,000		1,606,000		1,606,000		1,606,000		1,606,000		535,333
Initial Capital	\$	37,778,539																		
Additional Rent Cash on Cash Return		4.25%		4.25%		4.25%		4.25%		4.25%		4.25%		4.25%		4.25%		4.25%		4.25%
SUPPLEMENTAL RENT																				
Supplemental Rent Breakpoint	\$	8,503,000	\$	5,379,000	\$	5,459,000	\$	5,559,000	\$	5,639,000	\$	5,719,000	\$	5,809,000	\$	5,899,000	\$	5,999,000	\$	2,013,000
Master Tenant Supplemental Income ³	10.0%	\$ 1,734		716		10,107		23,753		37,618		47,886		57,709		68,104		78,087		29,012
Supplemental Rent	90.0%	\$ 15,302		6,620		91,147		213,956		338,741		431,154		519,561		613,113		702,966		261,169
Supplemental Rent Cash Flow ⁴	\$	15,302		6,620		91,147		213,956		338,741		431,154		519,561		613,113		702,966		261,169
Supplemental Rent Cash on Cash Return		0.02%		0.02%		0.24%		0.57%		0.90%		1.14%		1.38%		1.62%		1.86%		2.07%
Total Cash Flow	\$	2,691,969		1,612,620		1,697,147		1,819,956		1,944,741		2,037,154		2,125,561		2,219,113		2,308,966		796,502
Total Cash on Cash Return		4.28%		4.27%		4.49%		4.82%		5.15%		5.39%		5.63%		5.87%		6.11%		6.33%
FORECASTED PRINCIPAL AMORTIZATION																				
Beginning Loan Balance	\$	30,739,000		30,739,000		30,739,000		30,739,000		30,739,000		30,739,000		30,739,000		30,739,000		30,739,000		30,739,000
Principal Amortization		-		-		-		-		-		-		-		-		-		-
Ending Balance	\$	30,739,000		30,739,000		30,739,000		30,739,000		30,739,000		30,739,000		30,739,000		30,739,000		30,739,000		30,739,000
Loan to Offering Price		44.9%		44.9%		44.9%		44.9%		44.9%		44.9%		44.9%		44.9%		44.9%		44.9%
Yield		4.28%		4.27%		4.49%		4.82%		5.15%		5.39%		5.63%		5.87%		6.11%		6.33%
TAX ANALYSIS FOR NON-1031 INVESTOR																				
Pre-Tax Cash Flow	\$	2,691,969		1,612,620		1,697,147		1,819,956		1,944,741		2,037,154		2,125,561		2,219,113		2,308,966		796,502
Estimated Income Tax @ 40% Rate ⁵	\$	(1,076,788)		(645,048)		(678,859)		(727,982)		(777,896)		(814,862)		(850,224)		(887,645)		(923,586)		(318,601)
Estimated Income Tax Benefit / Deduction (Depreciation and Oth	\$	1,203,409		722,045		722,045		722,045		722,045		722,045		722,045		722,045		722,045		252,497
Estimated Total Income Taxes Paid	\$	293,278		112,443		78,632		29,509		(20,405)		(57,371)		(92,733)		(130,154)		(166,095)		40,233
After Tax Cash Flow	\$	2,985,247		1,725,063		1,775,779		1,849,464		1,924,335		1,979,784		2,032,828		2,088,959		2,142,871		836,736
After Tax Return		7.90%		4.57%		4.70%		4.90%		5.09%		5.24%		5.38%		5.53%		5.67%		2.21%
Effective Tax Equivalent Yield		7.90%		7.61%		7.83%		8.16%		8.49%		8.73%		8.97%		9.22%		9.45%		11.07%
Percentage Sheltered		127.24%		117.43%		111.58%		104.05%		97.38%		92.96%		89.09%		85.34%		82.02%		112.63%
FORECASTED LENDER RESERVE ACCOUNT																				
	20 months ending 2026	2027	2028	2029	2030	2031	2032	2033	2034	4 months beginning 2035										
Beginning Balance	\$	211,072	\$	215,336	\$	219,686	\$	224,124	\$	228,652	\$	233,271	\$	237,984	\$	242,792	\$	247,697	\$	252,701
Lender Replacement Reserve Contribution		175,902		108,444		111,426		114,490		117,639		120,874		124,198		127,613		131,123		134,729
Capital Expenditures	\$388 per unit	(175,902)		(108,444)		(111,426)		(114,490)		(117,639)		(120,874)		(124,198)		(127,613)		(131,123)		(134,729)
Interest Income	2.00%	4,264		4,350		4,438		4,528		4,619		4,713		4,808		4,905		5,004		5,105
Ending Balance	\$	215,336	\$	219,686	\$	224,124	\$	228,652	\$	233,271	\$	237,984	\$	242,792	\$	247,697	\$	252,701	\$	257,806
FORECASTED TRUST CONTROLLED RESERVES ACCOUNT																				
Beginning Balance	\$	3,000,000		2,328,604		1,698,999		1,565,332		1,245,566		916,161		757,135		591,540		419,149		239,731
Contribution to Lender Replacement Reserves		(175,902)		(108,444)		(111,426)		(114,490)		(117,639)		(120,874)		(124,198)		(127,613)		(131,123)		(134,729)
Value-Add Program (W/ D & Interior Units)		(101,267)		(113,925)		-		(178,500)		(178,500)		-		-		-		-		-
Capital Expenses		(447,513)		(447,513)		(54,884)		(54,884)		(54,884)		(54,884)		(54,884)		(54,884)		(54,884)		(54,884)
Interest Income	2.00%	53,286		40,276		32,643		28,109		21,617		16,733		13,487		10,107		6,589		2,928
Ending Balance	\$	2,328,604		1,698,999		1,565,332		1,245,566		916,161		757,135		591,540		419,149		239,731		53,046
Total Reserve Amount	\$	2,543,941		1,918,685		1,789,456		1,474,219		1,149,432		995,119		834,332		666,846		492,432		310,852

¹ The difference between the Base Rent and the Additional Rent Breakpoint for the Property for a given month, if any, after taking into account any expenses of the Property, will inure to the benefit of the Master Tenant.

Such amounts will not be available for distributions to the Trust or the Investors.

² The Additional Rent will be estimated and paid on a monthly basis with year-end reconciliation.

³ Under the Master Lease, the Master Tenant will earn 10% of Gross Income exceeding the Supplemental Rent Breakpoint, as provided in the Master Lease.

⁴ The Supplemental Rent will be estimated and paid on an annual basis with year-end reconciliation within 90 days of the end of the calendar year.

Offering Highlights

OFFERING HIGHLIGHTS

\$100,000 minimum investment

Assumed Debt (0.26470% interest):	\$81,366
Offering Purchase Price:	\$68,517,539*
Equity Amount:	\$37,778,539
Loan Amount:	\$30,739,000
Loan Terms:	<ul style="list-style-type: none">• 44.86% Loan-to-Capitalization 10-year Term• 5.13% Fixed Interest Rate 10-year Interest only
Cash Flow to Trust Under Master Lease:	4.25%**
Projected Hold Period:	7-10 Years

*Figure includes total purchase price, acquisition, offering fees and expenses, and operating and capital reserves.

**Figure reflects current distribution from Base Rent and Additional Rent paid pursuant to the Master Lease, shown on an annualized basis as a percentage of equity invested in the Property, after relevant expenses, such as operating costs, fees, and the Asset Management Fee are taken into account. This figure is not an assurance of future results and does not directly represent investor return. There is no guarantee investors will receive distributions or the return of their capital. The rate shown is on an annualized basis as a percentage of equity invested in the Property. See the Memorandum for additional detail.

See "The Property" in the Memorandum for additional detail. Also see "Risk Factors – Risks Related to the Property" in the Memorandum. There is no guarantee Purchasers will receive distributions or the return of their capital. See the "Risk Factors" section in the Memorandum. The results shown may not occur, and actual performance could vary significantly.



Fitness Center



Pet Spa



Clubhouse with Starbucks Coffee Bar



BR Churchill Downs, DST

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

Minimum Purchase: \$100,000 (0.26470%) for 1031 Exchange

Maximum Offering Amount: \$37,778,539

The Sponsor has not authorized any person to make any representations or furnish any information with respect to the Offering or the Interests, other than as set forth in this Memorandum or other documents or information the Sponsor or Bluerock may furnish to you upon request. This Memorandum constitutes an offer only to the person whose name appears in the appropriate space on the cover page. Furthermore, the delivery of this Memorandum to you will not constitute an offer, or solicitation of an offer, to purchase the Interests to anyone in any jurisdiction in which such an offer or solicitation is not authorized.