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TRILOGY

REAL ESTATE GROUP

AVAILABLE TO ACCREDITED 1031 EXCHANGE AND CASH INVESTORS

TRILOGY LANSING MI MULTIFAMILY DST

4540 Collins Road, Lansing, MI 48910

Total Offering	Equity Raise	Minimum Investment[1]	Offering Loan-to-value[2]	Interest Rate	Debt Service Coverage Ratio[3]
$86,098,677	$41,798,470	$100,000	50.96%	3.31%	1.35x

*A DST (Delaware Statutory Trust) is a legal entity created to hold title to one or more income-producing commercial properties. Each investor owns a "beneficial interest" in the trust which, in turn owns the underlying property(ies). This DST interest entitles the investor to his or her pro-rata share of income and appreciation in the DST's assets. The interests are speculative and involve a high degree of risk. A prospective investor should be able to bear a complete loss of the prospective investor's investment.

1. $25,000 minimum for non-1031 investment.
2. Loan-to-value (LTV) is an assessment of lending risk and is calculated by dividing the amount borrowed by the appraised value of the property, inclusive of all fees and closing costs. Typically, a higher LTV is considered a higher risk loan.
3. Debt service coverage is the ratio of operating income available to cover debt servicing for interest, principal and lease payments.

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Investment Opportunity

- Newly constructed trophy asset 10 minutes from downtown Lansing.
- Based on velocity of initial lease-up, project will be fully stabilized ahead of schedule.
- The property is adjacent to a new $450 million health campus and Michigan State University.
- The investment was underwritten with full consideration to the impacts of COVID-19.
- Trilogy Residential Management, Trilogy's top-rated management company for 8 consecutive years, will manage the property.[4]

Area Highlights

- Lansing is home to Michigan State University, the country's 8th largest college.
- The new $450 million McLaren Health Care campus will open in early 2022 and will feature a 240-bed hospital, state-of-the-art research and medical facilities and be home to more than 1,000 physicians, researchers, and educators.
- The immediate area around the property is experiencing substantial population growth, trending younger and more likely to rent than the greater Lansing market.
- Jackson Field, home to the single-A affiliate of the Oakland Athletics, serves as the centerpiece of a downtown entertainment district.
- Class A rents in the market have grown 19% over the past 5 years.
- Home values in Lansing have increased by 16.3% in the last year, making homebuying more difficult.
- The market has limited new supply which should ensure the property maintains its position as the preeminent apartment community for the foreseeable future.

4. SatisFacts Research and ApartmentRatings.

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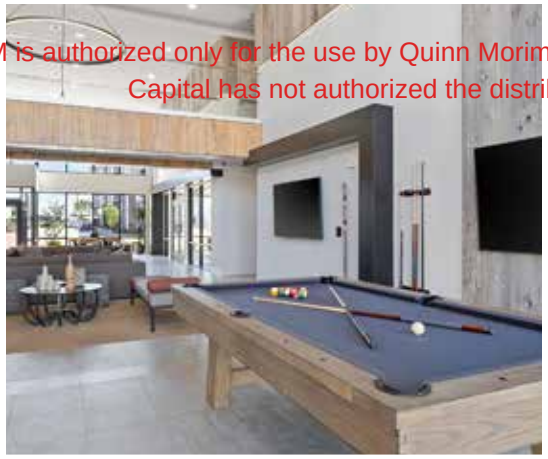



* Pictures throughout are from the property described herein.

Property Highlights

- 289-unit Class A apartment community
- Built in 2021

Community Amenities

Fitness center

Grilling area

Dog park & dog spa

Cycling/yoga studio

Courtyard with fire pits

Clubhouse

Heated saltwater pool and sundeck

Lounge with demonstration kitchen

Business center

Private cabanas

Free public Wi-Fi

Onsite management & maintenance

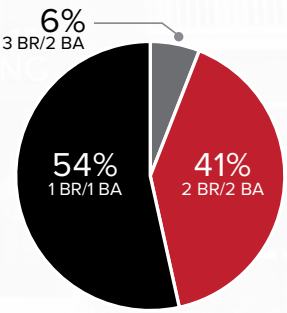
Apartment Amenities

- Granite countertops
- Tiled backsplashes
- Plank-style flooring
- Walk-in closets
- Stainless steel appliances
- 9′ ceilings
- Garden tubs*
- Direct access garages*
- Patios/Balconies*
- In-unit washer & dryer

*In select homes

Unit Mix

Unit Type	Count	Square Feet
1 BR / 1 BA	155	712
2 BR / 2 BA	118	1,085
3 BR / 2 BA	16	1,423



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About Trilogy Real Estate Group

Trilogy Real Estate Group is a vertically integrated real estate investment and property management firm with a focus on multifamily apartments and commercial real estate. Trilogy has been recognized as one of the Top Property Management companies for 8 consecutive years and has an "A" rating in the epIQ Index. Since 2002, the principals of Trilogy have completed over $4 billion in transaction volume. Trilogy has been tested in multiple real estate cycles and consistently sources and manages attractive real estate investments in major markets around the United States.

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Consider the Risks:

An investment in the interests involves substantial investment and tax risks, including, without limitation, the following risks:

- Past performance is not a guarantee of future results.
- The economic success of the interests will depend upon the results of operations of the property. Fluctuations in vacancy rates, rent schedules, and operating expenses can adversely affect operating results or render the sale or refinancing of the property difficult or unattractive.
- The COVID-19 pandemic may lead to prolonged economic disruption that could lead to lower occupancy and a negative impact on the results of operations of the property.
- The master tenant's capitalization is supported solely by the cash flow from the underlying tenant lease. The sponsor is not under any obligation to contribute capital to the master tenant.
- No assurance can be given that future cash flow will be sufficient to make the debt service payments on any borrowed funds and also cover capital expenditures or operating expenses.
- No assurance can be given that beneficial owners of interests will realize a substantial return (if any) on their investment or that they will not lose their entire investment in the trust.
- The interests are not freely transferable by the beneficial owners.
- There are various risks associated with owning, financing, operating, and leasing commercial properties in Illinois.
- The interests do not represent a diversified investment.
- Beneficial owners must completely rely on the master tenant to collect the rent and operate, manage, lease, and maintain the property.
- The beneficial owners have no voting rights with respect to the management or operations of the trust or in connection with the sale of the property.
- There are various conflicts of interest among the trust, the sponsor, the signatory trustee, and their affiliates.
- The interests are illiquid.
- There are tax risks associated with an investment in the Interests. Each prospective beneficial owner should consult with their tax advisor regarding an investment in the Interests and the qualification of the prospective beneficial owner's transaction under Section 1031 for their unique circumstances.
- There are risks related to competition from properties similar to and near the property.
- There may be environmental risks related to the property.
- There are various tax risks, including the risk that an acquisition of an Interest may not qualify as replacement property in a Section 1031 Exchange.

This is neither an offer to sell nor a solicitation on an offer to buy securities described herein. An offering is made only by the Confidential Private Placement Memorandum (PPM). This sale and advertising literature must be read in conjunction with the PPM in order to understand fully all of the implications and risks of the offering to which it relates. A copy of the PPM must be made available to you in connection with this offering. Prospective Members should carefully read the PPM and review any additional information they desire prior to making an investment and should be able to bear the complete loss of their investment.

Securities offered through Arête Wealth Management LLC member FINRA/SIPC. Arête Wealth Management LLC and Trilogy Real Estate Group LLC, are not affiliated companies.

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CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

BENEFICIAL INTERESTS IN
LANSING MI MULTIFAMILY DST

$41,798,470 of Delaware Statutory Trust Interests
Minimum Purchase for Section 1031 Investors: $100,000
Minimum Purchase for Cash Investors: $25,000

Lansing MI Multifamily DST, a newly-formed Delaware statutory trust (the "**Trust**") and an affiliate of Trilogy Real Estate Group, LLC, a Delaware limited liability company (the "**Sponsor**"), is hereby offering (the "**Offering**") to sell to certain qualified, accredited investors (the "**Investors**") pursuant to this Confidential Private Placement Memorandum (as amended and supplemented and with all exhibits hereto, the "**Memorandum**") up to 99% of the beneficial interests (the "**Interests**") in the Trust. The Sponsor is a vertically-integrated real estate investment company that targets multifamily assets in primary and secondary U.S. markets.

The Trust owns the apartments located at 4540 Collins Rd, Lansing, MI 48910 ("**4540 Collins Rd**"), a multifamily residential community located at 4540 Collins Rd, Lansing, MI 48910. 4540 Collins Rd is located on approximately 12.09 acres of land and consists of 289 units, which includes a mix of one-, two-, and three-bedroom apartments, contained within 4 low-rise residential buildings, comprising approximately 261,504 net rentable square feet (collectively, the "**Property**"). Property amenities include: clubhouse, controlled access, package locker, resort-style pool, dog park, fitness center, business center, BBQ grill, cabana pergola, outdoor lounge, leasing office, private garages, firepit and theatre room.

On December 2, 2021, the Trust acquired the Property from WP Lansing–MI Owner, LLC, a Delaware limited liability company (the "**Seller**"), for a purchase price of $74,000,000. The Trust funded the acquisition of the Property with (1) cash, provided as a capital contribution from the Lansing MI Multifamily Depositor, LLC, a Delaware limited liability company (the "**Depositor**"), which is a wholly owned subsidiary of TREG Bridge Partners I, LLC, an Affiliate of the Sponsor substantially owned by third-party investors ("**TREG Bridge Partners**"), and (2) the proceeds of a loan secured by the Property in the original principal amount of $43,878,000 (the "**Loan**") from CBRE Multifamily Capital, Inc., a Delaware corporation (the "**Lender**"), pursuant to the Federal National Mortgage Association ("**Fannie Mae**") Delegated Underwriting and Service ("**DUS**") loan program. The Loan has a term of 10 years and bears interest at a fixed rate of 3.31%. The Loan is secured by a mortgage on the Property. For purposes of determining liabilities assumed with respect to the Property in connection with an Investor's Section 1031 Exchange (as defined herein), each Investor will be allocated a pro rata percentage of the Loan (expected to be approximately $103,925 per $100,000 Interest).]

Concurrently with acquiring the Property and obtaining the Loan, the Trust leased the Property to Lansing MI Multifamily Master Tenant, LLC, a newly formed Delaware limited liability company and an affiliate of the Sponsor (the "**Master Tenant**"), pursuant to a master lease agreement (the "**Master Lease**"). The Master Tenant will sublease the units at the Property to residential tenants (the "**Residents**") who occupy the units pursuant to residential lease agreements (the "**Residential Leases**"; together with the Master Lease, the "**Leases**").

Further, concurrently with entering into the Master Lease, the Master Tenant entered into a property management agreement (the "**Property Management Agreement**") with Trilogy Residential Management, LLC, a Delaware limited liability company and an affiliate of the Sponsor (the "**Property Manager**"), for the management and operation of the Property.

The terms of the Trust are governed by a trust agreement, a copy of which is attached as Exhibit B to this Memorandum (the "**Trust Agreement**"). Lansing MI Multifamily Manager, LLC, a newly formed Delaware limited liability company and an affiliate of the Sponsor, is the administrative trustee under the Trust Agreement (the "**Administrative Trustee**") and is responsible for the operation and management of the Trust.

As of the date of this Memorandum, the Depositor owns 99% of the Interests. An affiliate of the Depositor owns 1% of the Interests. If any Interests cannot be sold, the Depositor and/or its affiliate will own the remaining Interests, provided that the holder of such unsold Interests (whether the Depositor or otherwise) reserves the right to

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sell or otherwise transfer such unsold Interests, to persons affiliated with the Sponsor or otherwise, whether pursuant to a secondary offering or otherwise. The Interests owned will be held for investment purposes and not for resale. For purposes of this Memorandum, while the Maximum Offering Amount is $41,798,470, which represents 99% of the Interests in the Trust, various fees have been calculated based on 100% of the Interests, equivalent to $42,220,677.

The principal objectives of the Trust are to (1) lease the Property to the Master Tenant pursuant to the terms of the Master Lease with the intent that it manage the Property to realize its maximum operating performance, (2) pay regular distributions to the Investors out of net cash flows, as described in the Financial Forecast attached as Exhibit E to this Memorandum, and (3) sell the Property prior to the maturity date of the Loan. **There can be no assurance that any of these objectives will be achieved. This Memorandum should be read in its entirety before making an investment decision**.

Acquisition of the Interests is designed for, but not limited to, prospective Investors (each, a "**Section 1031 Investor**") seeking to defer the recognition of gain on the sale of other real property (the "**Relinquished Property**") under Section 1031 ("**Section 1031**") of the Internal Revenue Code of 1986, as amended (the "**Code**"). A Section 1031 transaction (a "**Section 1031 Exchange**") generally allows the seller of real estate to defer federal and state capital gains taxation on the sale by exchanging the Relinquished Property for another property of like kind. The Trust has not requested, and does not plan to request, a ruling from the United States Internal Revenue Service (the "**IRS**") that the Interests will be treated as a direct acquisition of the Property by the Investors for purposes of Section 1031. However, tax counsel to the Trust has provided a tax opinion that the acquisition of an Interest by an Investor **should** be treated as a direct acquisition of the Property by an Investor for purposes of Section 1031. This opinion, however, is limited in scope and does not opine on all matters necessary for the prospective Investor's acquisition to qualify under Section 1031.

The minimum amount of Interests that a Section 1031 Investor may purchase is $100,000, unless the Trust waives this minimum requirement. The minimum amount of Interests that a prospective Investor (each, a "**Cash Investor**") making a cash investment without a Section 1031 Exchange may purchase is $25,000, unless the Trust waives this minimum requirement. For purposes of determining liabilities assumed with respect to the Property in connection with an Investor's Section 1031 Exchange, each Investor will be allocated a pro rata percentage of the Loan (approximately $103,925 per $100,000 Interest).

Unless extended by the Sponsor in its sole discretion, the Offering will terminate on or before the earlier of January 31, 2023 (which date is subject to extension by the Sponsor), or the date on which all $41,798,470 of the Interests offered hereby have been sold.

	Price to Investors	**Selling Commissions and Offering Expenses**[1]	**Proceeds to Trust**[2]
Minimum Cash Purchase[3]	$25,000	$2,503	$22,497
Maximum Offering Amount	$41,798,470	$4,184,251	$37,614,220

(1) Offers and sales of Interests will be made on a "best efforts" basis by broker-dealers (the "**Selling Group Members**") who are members of the Financial Industry Regulatory Authority, Inc. ("**FINRA**"). Arete Wealth Management, LLC (the "**Managing Broker-Dealer**"), a member of FINRA, serves as the Managing Broker-Dealer and will receive selling commissions ("**Selling Commissions**") of approximately 6.0% of the purchase price of the Interests sold by Selling Group Members (the "**Total Sales**"), some or all of which it will re-allow to the Selling Group Members; provided, however, that this amount will be reduced in the event a lower commission rate is requested by a Selling Group Member and the commission rate will be the lower agreed upon rate. Thus, certain Investors may acquire Interests net of Selling Commissions. The Managing Broker-Dealer will also receive: (a) a non-accountable marketing and due diligence allowance of up to 1.0% of the Total Sales (the "**Marketing and Due Diligence Allowance**"), which may be re-allowed, in whole or in part, to the Selling Group Members, (b) a managing broker-dealer fee of up to 0.75% of the Total Sales (the "**Managing Broker-Dealer Fee**"), which may be re-allowed, in whole or in part, to the Selling Group Members, (c) a syndication fee of up to 2.0% of the Total Sales (the "**Syndication Fee**") which may be reallowed to wholesalers or other associated persons eligible to receive such compensation, and may sell Interests as a Selling Group Member, thereby becoming entitled to Selling Commissions. The Trust will also

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reimburse the Sponsor, its affiliates and certain third parties for offering and organizational expenses (the "**O&O Expenses**") in an amount equal to 0.26% of the gross cash proceeds of the Offering. The Selling Commissions, the Marketing and Due Diligence Allowance, the Managing Broker-Dealer Fee, the Syndication Fee, the O&O Expenses, as well as other costs of the Offering (collectively, the "**Selling Commissions and Offering Expenses**"), will be paid by the Trust out of the gross Offering proceeds. In addition to the foregoing fees, the Managing Broker-Dealer will receive from the Trust a servicing fee of $5,000 per month for the duration of the Offering, in connection with its role in effectuating the Offering.

(2) The proceeds shown above are after deducting the Selling Commissions and Offering Expenses, but before deducting fees and expenses incurred in connection with the acquisition of the Property and the closing of the Loan, including those payable to the Sponsor and its affiliates, which will be paid by the Trust out of gross Offering proceeds. *See* "ESTIMATED SOURCES AND USES OF PROCEEDS." The Sponsor and its affiliates will be entitled to additional compensation in connection with this Offering and the operation of the Property. *See* "COMPENSATION OF THE SPONSOR AND ITS AFFILIATES."

(3) The minimum amount of Interests that a Cash Investor may purchase is $25,000, unless the Trust waives this minimum requirement. The minimum amount of Interests that a Section 1031 Investor may purchase is $100,000, unless the Trust waives this minimum requirement.

This Confidential Private Placement Memorandum is dated December 15, 2021.

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A WARNING ABOUT INVESTING IN THE INTERESTS

Each prospective Investor should consult with the prospective Investor's own tax advisor regarding an investment in the Interests and the qualification of the prospective Investor's transaction under Section 1031 for the prospective Investor's specific circumstances. Each prospective Investor's specific circumstances may differ and, as a result, no assurances can be given and no legal opinion will be provided that the purchase of the Interests by any prospective Investor will qualify as a Section 1031 Exchange.

An investment in the Interests involves significant risk and is suitable only for Investors who have adequate financial means, desire a relatively long-term investment and who will not need immediate liquidity from their investment and can afford to lose their entire investment. The risks involved with an investment in Interests include, but are not limited to:

- Investors have limited control over the Trust.
- The Trustees (as defined herein) have limited duties to Investors, and limited authority.
- There are inherent risks with real estate investments generally.
- The Trust depends on the Master Tenant for revenue, and any default by the Master Tenant will adversely affect the Trust's operations.
- The Trust and the Master Tenant depend on the Property Manager to operate the Property.
- A deterioration in global financial, economic and social conditions could adversely impact the Master Tenant's operations and the Trust's financial results.
- The Master Tenant and the Trust depend on the Residents for revenue, and significant occupancy rate fluctuations or defaults by a significant number of the Residents under their Residential Leases will adversely affect the Trust's and the Master Tenant's operations.
- The Trust may suffer adverse consequences due to the financial difficulties, bankruptcy or insolvency of the Master Tenant.
- There are certain risks to the Master Lease structure, including that the Master Tenant is an affiliate of the Sponsor that will have limited capital and may not pay rent or perform its other obligations under the Master Lease.
- The costs of complying with environmental laws and other governmental laws and regulations may adversely affect the Trust.
- The Loan Documents (as defined herein) contain various restrictive covenants, and if the Trust fails to satisfy or violates these covenants, the Lender may declare the Loan in default and foreclose on the Property.
- The Loan may reduce the funds available for distribution and increase the risk of loss.
- The prepayment provisions of the Loan Documents may limit and negatively affect the Trust's exit strategy.
- If the Trust is unable to sell or otherwise dispose of the Property before the maturity date of the Loan, it may be unable to repay the Loan.
- There is, and will be, no public market for the Interests.
- The Interests are not registered with the Securities and Exchange Commission (the "**SEC**") or any state securities commissions.
- Investors may not realize a return on their investment for years, if at all.
- The Trust is not providing any prospective Investor with separate legal, accounting or business advice or representation.
- Various tax risks, including the risk that an acquisition of an Interest may not qualify as replacement property in a Section 1031 Exchange.

The Interests have not been approved or disapproved by the 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.

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The Interests are being offered only to persons who are "accredited investors," as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the "Securities Act") and applicable state securities laws, which definition is set forth below in "WHO MAY INVEST."

The Interests have not been, and will not be, registered under the Securities Act or any state securities laws. The Interests will be offered and sold pursuant to an exemption from the registration requirements of the Securities Act, in accordance with Rule 506(b) of Regulation D, and in compliance with any applicable state securities laws. The Interests will not be offered or sold in any state in which such offers or sales are not qualified or otherwise exempt from registration. The Trust reserves the right to reject any offer to purchase the Interests. In addition, the Trust reserves the right to cancel any sale at any time prior to the receipt of funds for purchase, if that sale, in the opinion of the Trust and its counsel, may violate any federal or state securities law or regulation or is otherwise objectionable for whatever reason. The Interests will be subject to restrictions on transferability and resale and you will not be able to transfer or resell Interests or any beneficial interest therein unless the Interests are registered pursuant to or exempted from such registration requirements. Investors 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.

Neither the Trust, the Sponsor, nor any of their respective affiliates has authorized any person to make any representations or furnish any information with respect to the Interests or the Property, other than as set forth in this Memorandum or other documents or information the Trust or the Sponsor may furnish to Investors. Investors are encouraged to ask the Trust or the Sponsor questions concerning the terms and conditions of this Offering and the Property.

The Sponsor has prepared this Memorandum solely for the benefit of persons interested in acquiring Interests. The recipient of this Memorandum agrees to keep the contents of this Memorandum confidential and not to duplicate or furnish copies of this Memorandum to any person other than such recipient's advisors, and further agrees promptly to return this Memorandum to the Trust at the address below if: (1) the recipient decides not to purchase the Interests; (2) the recipient's purchase offer is rejected; or (3) the Offering is terminated prior to a purchase by the recipient.

This Memorandum contains summaries of certain agreements and other documents. Although the Sponsor believes these summaries are accurate, potential Investors should refer to the actual agreements and documents available in the Investor Data Room (as defined herein) for more complete information about the rights, obligations and other matters in the agreements and documents. In addition, prospective Investors are strongly encouraged to have independent legal counsel closely review this Memorandum and all documents referenced herein and attached hereto, including, but not limited to, the Loan Documents.

The mailing address of the Trust is Lansing MI Multifamily DST, c/o Lansing MI Multifamily Manager, LLC, 520 West Erie Street, Suite 100, Chicago, Illinois, 60654, and the telephone number is (312) 750-0900.

A WARNING ABOUT FORWARD LOOKING STATEMENTS

This Memorandum contains statements about operating and financial plans, terms and performance of the Property and other targets of future results. Forward-looking statements may be identified by the use of words such as "expects," "anticipates," "intends," "plans," "will," "may" and similar expressions. The "forward-looking" statements are based on various assumptions, for example, the growth and expansion of the economy, projected financing environment and real property market value trends, and these assumptions may prove to be incorrect. Accordingly, these forward-looking statements might not accurately predict future events or the actual performance of an investment in the Interests. In addition, Investors must disregard any projections and representations, written or oral, which do not conform to those contained in this Memorandum.

A WARNING ABOUT INFORMATION PROVIDED BY THIRD PARTIES

Certain information set forth in this Memorandum and in other materials provided to prospective Investors by the Trust or the Sponsor in connection with this Offering, including but not limited to information regarding the Property and the financing arrangements with respect to the Loan, were obtained from third party sources not affiliated

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with the Trust or the Sponsor. In many cases these third-party source materials were not prepared by third parties expressly or exclusively for the Trust, the Sponsor or their respective affiliates, or for the Investors, for the purpose of evaluating an investment decision with respect to the Interests. The Trust and the Sponsor have relied upon these third-party materials in preparing this Memorandum and establishing the terms of this Offering and they believe such reliance is reasonable. However, neither the Trust, the Sponsor nor any of their respective affiliates have independently verified the information or data obtained from these sources and no assurances can be given regarding the accuracy or completeness of the information or 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.

LEGENDS

NOTICE TO INVESTORS IN ALL U.S. STATES

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE MEMORANDUM AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. 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 UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

ADDITIONAL NOTICE TO FLORIDA INVESTORS

IF SALES ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA, AND YOU PURCHASE SECURITIES HEREUNDER, THEN YOU MAY VOID SUCH PURCHASE EITHER WITHIN THREE (3) DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY YOU TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT OR WITHIN THREE (3) DAYS AFTER THE AVAILABILITY OF THIS PRIVILEGE IS COMMUNICATED TO YOU, WHICHEVER OCCURS LATER.

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Additional information related to the Offering is available in the Sponsor's investor data room (the "**Investor Data Room**"), access to which is available through your broker-dealer and/or investment representative. However, paper copies are available upon request. To obtain paper copies, please contact the Sponsor at 520 West Erie Street, Suite 100, Chicago, Illinois, 60654, or via telephone at (312) 750-0900.

Copies of the following additional documents are available in the Investor Data Room:

- Assignment of Leases and Contracts (the Trust to the Master Tenant)
- Demand Note
- Form of Residential Lease
- Loan Documents
- Phase I Environmental Site Assessment and Reliance Letter
- Pro Forma Title Policy and material underlying exception documents thereto
- Property Condition Assessment and Reliance Letter
- Property Management Agreement
- Survey
- Zoning Report

THE DOCUMENTS THAT ARE AVAILABLE IN THE INVESTOR DATA ROOM ARE IMPORTANT TO PROSPECTIVE INVESTORS' REVIEW OF THE OFFERING. IF YOU ARE NOT ABLE TO ACCESS THE INVESTOR DATA ROOM, PLEASE CONTACT THE SPONSOR IMMEDIATELY.

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WHO MAY INVEST

The offer and sale of the Interests is being made in reliance on an exemption from the registration requirements of the Act. Accordingly, distribution of this Memorandum has been strictly limited to persons who meet the requirements and make the representations set forth below. The Trust may declare any prospective Investor ineligible to purchase an Interest for any legal reason. **The Interests will be sold only to "accredited investors," as defined in Rule 501(a) of Regulation D under the Securities Act.**

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 this investment. The Interests will be sold only to persons or entities who (i) make the Minimum Investment and (ii) represent in writing that they meet the Investor suitability requirements established by the Trust and as may be required under federal or state law. The Trust may accept purchases smaller than the Minimum Investment. The Trust will not accept subscriptions from, or made on behalf of, non-United States investors.

Each prospective Investor must represent in writing that the Investor meets, among others, **ALL** of the following requirements:

(a) The Investor has received, read, and fully understands the Memorandum, all exhibits hereto, and all other materials provided to the Investor. The Investor is basing the Investor's decision to invest on the Memorandum. The Investor has relied only on the information contained in said materials and has not relied upon any representations made by any other person; and

(b) The Investor understands that an investment in the Interests involves substantial risk and he is fully cognizant of and understands all of the risk factors relating to a purchase of the Interests, including, without limitation, those risks set forth below in the section entitled "RISK FACTORS"; and

(c) The Investor's overall commitment to investments that are not readily marketable is not disproportionate to the Investor's individual net worth, and the Investor's investment in the Interests will not cause such overall commitment to become excessive; and

(d) The Investor has adequate means of providing for the Investor's financial requirements, both current and anticipated, and has no need for liquidity in this investment; and

(e) The Investor can bear and is willing to accept the economic risk of losing the Investor's entire investment in the Interests; and

(f) The Investor is acquiring the Interest for the Investor'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 the Interests; and

(g) The Investor is an "accredited investor," as defined in Rule 501(a) of Regulation D under the Securities Act, which includes:

> (1) If a natural person, a person that has (i) an individual net worth, or joint net worth with the Investor's spouse, of more than $1,000,000 exclusive of the value of the Investor's primary residence or (ii) individual income in excess of $200,000, or joint income with the Investor's 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. For purposes of this definition, "**net worth**" means the excess of total assets at fair market value over total liabilities, except that the value of the principal residence owned by a natural person will be excluded for purposes of determining such natural person's net worth. In addition, for purposes of this definition, the related amount of indebtedness secured by the primary residence up to the primary residence's fair market value may also be excluded, except in the event such indebtedness increased in the 60 days preceding the purchase of Interests and was unrelated to the acquisition of the primary residence, then the amount of the increase must be included as a liability in the net worth calculation. Moreover, indebtedness secured by the primary residence in excess of the fair market value of such residence should be considered a liability and deducted from the natural person's net worth.

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(2) If not a natural person, one of the following: (i) a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring an Interest, with total assets in excess of $5,000,000; (ii) a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring an Interest and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of an investment in an Interest; (iii) a broker-dealer registered pursuant to section 15 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"); (iv) an investment company registered under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"); (v) a business development company (as defined in section 2(a)(48) of the Investment Company Act); (vi) 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; (vii) a private business development company (as defined in section 202(a)(22) of the Investment Advisers Act of 1940, as amended); (viii) a bank as defined in section 3(a)(2) of the Securities Act, or 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 or (ix) an entity (including an individual retirement account or Keogh plan) in which all of the equity owners (or beneficiaries, in the case of an individual retirement account or Keogh plan) are accredited investors.

In addition, the Investor and each subsequent transferee must represent that either:

(a) the Interests are being purchased by or on behalf of (1) an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), whether or not it is subject to Title I of ERISA, (2) a plan described in Code Section 4975 (including but not limited to an individual retirement account or a Keogh plan), or (3) an entity whose underlying assets include "plan assets" as defined in Department of Labor ("**DOL**") Regulation Section 2510.3-101 (the "**Plan Asset Rules**") by reason of a plan's investment in such entity (including but not limited to an insurance company general account) (all such investors, "**Benefit Plan Investors**"); and, additionally, all or part of the assets to be used to purchase the Interests constitute assets of one or more Benefit Plan Investors; or

(b) the Interests are not being purchased by or on behalf of Benefit Plan Investors.

Representations with respect to the foregoing and certain other matters must be made by each Investor in the Investor Questionnaire and Purchase Agreement, forms of which are attached as exhibits to this Memorandum. 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. An Investor is not obligated to supply any information requested by the Trust, but the Trust may reject any Investor who fails to supply any information so requested.

Prospective Investors that do not meet the requirements described above must not read further and must immediately return this Memorandum to the Trust or the applicable broker-dealer. If the prospective Investor does not meet such requirements, this Memorandum does not constitute an offer to sell the Interests to the prospective Investor.

Also, each prospective Investor must represent and warrant that:

The Investor understands that neither the Sponsor nor the Trust has obtained a ruling from the IRS that the Interests will be treated as undivided interests in real estate as opposed to partnership interests or interests in another entity that is separately taxable rather than disregarded for tax purposes. The Investor understands that the tax consequences of an investment in an Interest, especially the qualification of the Interests under Section 1031, are complex and vary with the facts and circumstances of each individual Investor. The Investor represents and warrants that: (i) the Investor has consulted his, her or its own independent tax advisor regarding an investment in an Interest and the qualification of the transaction under Section 1031, (ii) the Investor is not relying on (a) the Trust, the Sponsor, any of their respective affiliates, or their agents, including 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 regarding the qualification of the Interest under Section 1031 or any other matter, and (iii) except as expressly provided in the Tax Opinion attached as Exhibit D to this Memorandum, which is based on numerous assumptions and qualifications that

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may not be applicable to the Investor, the Investor is not relying on any statements made in this Memorandum regarding the qualification of the Interests under Section 1031.

Trust's Discretion to Accept Investors

The investor suitability requirements stated above represent the Trust's minimum suitability requirements for Investors. However, satisfaction of these requirements by any 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 Investor. Furthermore, the Trust, as appropriate, may modify such requirements, and such modification may raise the suitability requirements for Investors.

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

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HOW TO PURCHASE

The Interests may only be purchased by accredited investors, as described above in "WHO MAY INVEST." Prospective Investors must carefully read this Memorandum. Each prospective Investor will be required to return to the Trust an executed copy of a (1) complete and accurate Investor Questionnaire (the "**Investor Questionnaire**") and Purchase Agreement (the "**Purchase Agreement**"), the forms of which are attached as Exhibit A to this Memorandum, and (2) signature page to the Trust Agreement, the form of which is attached to the Investor Questionnaire.

A prospective Investor who would like to purchase the Interests must carefully read this Memorandum. To purchase the Interests, a prospective Investor must:

1. Complete and sign an Investor Questionnaire & Purchase Agreement, and, **on the last page, sign the acknowledgment of the representations and warranties contained therein**. Deliver the Investor Questionnaire & Purchase Agreement to your investment representative. Upon receipt of such documents and verification of the prospective Investor's investment qualifications, the Trust will elect whether to accept the prospective Investor's investment. Upon the Trust's acceptance of a prospective Investor for the purchase of an Interest, the Trust will so notify the prospective Investor.

Prospective Investors may be accepted or rejected by the Trust at any time within 30 days of receipt of the foregoing documents. Any proposed purchase of Interests not accepted within 30 days of receipt shall be deemed rejected. Prospective Investors cannot acquire Interests if the Trust (or, if applicable, the Lender) does not approve such purchase. Investors whose subscriptions are accepted by the Trust must remit the entire purchase price for their Interests to the Trust by wiring such funds (wiring instructions will be provided by the Trust at such time) or by delivering a check for the purchase price made payable to the Trust.

2. Unless otherwise specified in the Investor Questionnaire & Purchase Agreement, your investment representative will forward the documents to his, her or its broker/dealer. The broker/dealer will then forward the documents to**:**

Lansing MI Multifamily DST
c/o Great Lakes Fund Solutions, Inc.
500 Park Avenue, Suite 114
Lake Villa, Illinois 60046

Within a reasonable time after closing the purchase of the Interests by an Investor, a confirmation statement reflecting the Interests purchased will be delivered to each Investor.

See also "SUMMARY OF THE PURCHASE AGREEMENT" and "PLAN OF DISTRIBUTION."

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SUMMARY OF THE OFFERING

The following summary provides selected information regarding the Trust, the Property and this Offering and should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum, including the Exhibits hereto, and the documents available in the Investor Data Room. Each prospective Investor must carefully read the entire Memorandum before investing in the Interests.

Terms of the Offering:

The Trust is offering to Investors up to $41,798,470 in Interests, representing 99% of the Interests in the Trust. The Minimum Exchange Investment is $100,000 for prospective Exchange Investors acquiring an Interest by means of a Section 1031 Exchange. The Minimum Cash Investment is $25,000 for Cash Investors acquiring an Interest without a Section 1031 Exchange. The Trust may waive these Minimum Investment requirements in its discretion.

The Offering is designed for, but not limited to, Investors seeking to participate in a Section 1031 Exchange. No assurances, however, can be made that any particular prospective Investor's purchase of the Interests will qualify under Section 1031 as each prospective Investor's situation is unique.

As of the date of this Memorandum, the Depositor owns 99% of the Interests. An affiliate of the Depositor owns 1% of the Interests. If any Interests cannot be sold, the Depositor and/or its affiliate will own the remaining Interests, provided that the holder of such unsold Interests (whether the Depositor or otherwise) reserves the right to sell or otherwise transfer such unsold Interests, to persons affiliated with the Sponsor or otherwise, whether pursuant to a secondary offering or otherwise. The Interests owned will be held for investment purposes and not for resale. For purposes of this Memorandum, various fees have been calculated based on $42,220,677, which represents 100% of the Interests.

The Offering will terminate on or before the earlier of January 31, 2023 (which date is subject to extension by the Sponsor) or the date on which all $41,798,470 of the Interests offered hereby have been sold. *See* "PLAN OF DISTRIBUTION."

Business Objectives:

The principal objectives of the Trust are to (1) distribute to the Investors annual cash flows, as described in the Financial Forecast attached as Exhibit E to this Memorandum, (2) manage the Property in a manner consistent with prudent real estate management in order to maintain the Property's long-term value and, (3) sell the Property prior to the maturity date of the Loan. **There can be no assurance that any of these objectives will be achieved.**

The Administrative Trustee believes that an investment in the Trust offers the following benefits:

- **High-Quality Stabilized Asset**.
  - The Property is recent construction from 2019-2021.
  - Diverse unit mix of one-, two-, and three-bedroom units averaging 904 square feet with open-concept floor plans, oversized windows, designer kitchens, spacious bedrooms, spa-inspired bathrooms, walk-in closets with custom shelving, full-sized washer/dryers, and relaxing nature or courtyard views.
  - As of December 2, 2021 the Property is 88.2% subleased to Residents with an average monthly rent (in-place) of $1,616 per unit.
- **Desirable Location with Strong Market**.
  - The Property lies in Ingham County in the Lansing - East Lansing, Michigan suburban area, which is influenced by its proximity to transportation infrastructure, retail support uses, and employment centers.

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- Opportunities within the neighborhood, include the growing population in recent years, increasing income trends as well as an established and growing shopping districts.

- **Vertically Integrated Business Structure**.
  - The Sponsor's in-house asset and property management, construction management, and development teams allow the Sponsor to maximize operational efficiencies and investment performance by aligning interests across Property cost structures.
- **Experienced Operator**.
  - The Property Manager, an affiliate of the Sponsor, currently manages the Sponsor's entire portfolio of multifamily assets, including the Property, totaling over 5,000 units.

Prospective Investors must read and carefully consider the discussion set forth below in the section captioned "RISK FACTORS" in this Memorandum.

Property – Description: The Trust owns a fee simple interest in the Property, a multifamily residential community in Lansing, Michigan, known as Volaris Lansing Apartments. The Property consists of 289 units, which includes a mix of one-, two- and three-bedroom apartments, contained within 4 low-rise residential buildings.

Certain general information about the Property is summarized in the table below. *See* "DESCRIPTION OF THE PROPERTY" for additional information.

Address	Land Area*	Approximate Rentable SF*	Units	Year Built	Parking*
4540 Collins Rd Apartments Lansing, Michigan 48910	12.09 acres	261,504 sq. ft.	289	2019-2021	512 spaces

* References in this Memorandum to the (1) acreage of the Property and the number of parking spaces are based on the survey; and (2) rentable square footage of the building are based on the Assessment (as defined herein). Copies of the survey and the Assessment are available in the Investor Data Room.

Property – Acquisition and Financing: The Trust acquired the Property on December 2, 2021 from the Seller for the purchase price of $74,000,000 (the "**Offering Property Value**"). The Trust funded the acquisition of the Property with (1) cash, provided as a capital contribution from the Depositor, and (2) the proceeds of the Loan from the Lender. See "ACQUISITION AND FINANCING OF THE PROPERTY – Acquisition Terms" for additional discussion regarding the acquisition of the Property.

Pursuant to an Appraisal Report from a nationally recognized third-party appraisal firm (the "**Appraiser**") dated November 28, 2021 (the "**Appraisal**"), a copy of which is available upon request, the fair market value of the Property is $74,400,000. The Maximum Offering Amount, $41,798,470, represents the Offering Property Value, less the Loan proceeds, plus Property price adjustments, closing costs and related transactional costs, a structuring fee, financing fee and loan processing fee to the Sponsor, reserves and the Selling Expenses and Offering Expenses, all multiplied by the 99% of Interests being sold in this Offering.

The Appraisal was compiled using data and information obtained from various third-party services. The Appraisal, the data used to compile it, and the results that it predicts are by definition somewhat subjective and may be subject to various interpretations. Based upon the foregoing, this information may not accurately reflect or predict all information relevant to the market area or the Property. Moreover, the Appraiser has not authorized the Trust or the Sponsor or any party other than the Lender to rely on the Appraisal, and has expressly disclaimed any reliance thereon by parties for whom the Appraisal was not expressly prepared. Neither the Trust nor the Sponsor has independently verified any of the data included in the Appraisal. However, the Trust has

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revised portions of the Appraisal included in the "REGIONAL, LOCAL AREA AND MARKET ANALYSIS" section.

See "ACQUISITION AND FINANCING OF THE PROPERTY – *Acquisition Terms*" for additional discussion regarding the acquisition of the Property.

Financing Terms:

The Trust obtained the Loan in the original principal amount of $43,878,000 from CBRE Multifamily Capital, Inc. ("**CBRE**") pursuant to the Federal National Mortgage Association ("**Fannie Mae**") Delegated Underwriting and Service ("DUS") loan program. The Loan has been, or will be, assigned by CBRE, as the original lender, to Fannie Mae, however, CBRE will continue to service the Loan. See "CONFLICTS OF INTEREST" and "COMPENSATION OF THE SPONSOR AND ITS AFFILIATES – Lender Fees and Expense Reimbursements" for additional discussion.

The Loan is evidenced by a loan agreement (the "**Loan Agreement**") and a promissory note (the "**Note**") and is secured by a first priority mortgage on the Property (the "**Mortgage**") and an assignment of the Leases and the rents received thereunder (the "**Assignment**"; collectively with the Loan Agreement, the Note, the Mortgage and all other documents evidencing and/or securing the Loan, the "**Loan Documents**"). Copies of the Loan Documents are available in the Investor Data Room.

The Loan will have a Maturity Date of January 1, 2032, and will bear interest at a fixed rate of 3.31%. The Trust is required under the Loan Documents to make monthly, interest-only payments on each payment date during the term of the Loan. On the Maturity Date, the Trust will be required to pay to the Lender the entire outstanding principal amount of the Loan, along with any accrued but unpaid interest.

The Loan may be prepaid in whole (but not in part) at any time during the term of the Loan, subject to a yield maintenance prepayment premium. The prepayment premium is equal to the "Prepayment Premium" as defined and calculated in accordance with a formula set forth in the Loan Documents; provided, however, if the prepayment is made (a) on or after approximately June, 2031 but before September 30, 2031, the prepayment premium will be 1% of the amount of principal being prepaid, or (b) on or after approximately September 30, 2031, no prepayment premium will be due.

The Loan is secured by the Property. The Trust will be responsible for repayment of the Loan. The Loan is nonrecourse to the Investors. Accordingly, the Investors will have no personal liability in connection with the Loan. However, upon an uncured event of default under the Loan, the Lender will have the right to foreclose on the Property. If this were to occur, the Investors would be likely to lose all or a portion of their investment in the Trust.

, The Lender has required from the Trust a grant of certain rights of indemnification to the Lender related to the environmental condition of the Property. See "ACQUISITION AND FINANCING OF THE PROPERTY – Financing Terms

See "ACQUISITION AND FINANCING OF THE PROPERTY – Financing Terms" and "RISK FACTORS – Risks Related to the Financing" for additional discussion regarding the Loan.

Master Lease:

The Trust has entered into the Master Lease for the Property with the Master Tenant, which is an affiliate of the Sponsor. The Trust has assigned the existing Residential Leases to the Master Tenant, and all future Residential Leases will be entered into by the Master Tenant. A copy of the Master Lease is attached as Exhibit C to this Memorandum.

The term of the Master Lease is for 10 years and 95 days. The Master Tenant is responsible for the costs of operating, managing and maintaining the Property, and the Trust is responsible for

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all Capital Expenses (as defined in the Master Lease). *See* "SUMMARY OF THE LEASES – *Master Lease*" for additional discussion about the Master Lease.

Master Lease Rent:

During the term of the Master Lease, the Master Tenant pays base rent in an annual amount set forth in the Master Lease, paid in monthly installments ("**Base Rent**"). The Trust has directed the Master Tenant to pay each monthly installment of Base Rent to the Lender in accordance with the terms and conditions of the Loan Documents. This direction does not, however, constitute an assumption of the Trust's obligations under the Loan Documents, and does not alter the Trust's obligations thereunder, but rather is an accommodation to the Trust. Notwithstanding the foregoing, to the extent the amount of any installment of the Base Rent is in excess of the sum of the debt service and funding for the Lender Reserve Accounts (as defined below) due to the Lender pursuant to the Loan Documents, such excess amount will be paid directly to the Trust.

In addition to the Base Rent, the Master Tenant is responsible for paying additional rent and bonus rent. "**Additional Rent**" for each "**Lease Year**" of the Master Lease (with each such year ending at the end of the last day of April of a calendar year and beginning at the start of the first day of May of the following calendar year), consists of 100% of the Master Tenant's gross income from the Property between a specifically stated hurdle for each Lease Year of the Master Lease and up to a cap amount for each such Lease Year. "**Bonus Rent**" consists of 90% of the Master Tenant's gross income from the Property for each Lease Year of the Master Lease above a specifically stated hurdle for each Lease Year of the Master Lease, up to a maximum amount of Bonus Rent for each Lease Year. Additional Rent is paid monthly on an estimated basis and is subject to a year-end reconciliation within 120 days of the end of each Lease Year or as soon as practicable thereafter. Bonus Rent is paid annually within 120 days of the end of each Lease Year or as soon as practicable thereafter. Both Additional Rent and Bonus Rent are calculated on a Lease Year basis, with such calculations prorated for any partial Lease Year. The Base Rent, Additional Rent and Bonus Rent are collectively referred to herein as the "**Rent**." In addition, the Master Lease provides that the Master Tenant is required to pay the real estate taxes, utility costs and Property insurance costs (collectively, the "**Uncontrollable Expenses**") for each Lease Year of the Master Lease (prorated for any partial Lease Year) up to the amount of projected Uncontrollable Expenses for each Lease Year as set forth in the Financial Forecast attached as Exhibit E to this Memorandum (the "**Projected Uncontrollable Expenses**"). For the avoidance of doubt, to the extent the actual Uncontrollable Expenses for a Lease Year exceed Projected Uncontrollable Expenses for such Lease Year, the Trust is responsible for such difference through reduction in amounts otherwise payable by the Master Tenant as Additional Rent or Bonus Rent. However, if the actual Uncontrollable Expenses are less than the Projected Uncontrollable Expenses for a Lease Year, the difference is paid by the Master Tenant to the Trust as Additional Rent (not later than the completion of a year-end reconciliation of such amounts, within 120 days of the end of each Lease Year or as soon as practicable thereafter).

Master Tenant Capitalization:

The Master Tenant is a newly formed Delaware limited liability company and an affiliate of the Sponsor. Capitalization of the Master Tenant consists of a $250,000 demand note (the "**Demand Note**") from the Sponsor. The Sponsor's Demand Note obligations will be reduced by the amount of any net earnings the Sponsor retains in the Master Tenant. A copy of the Demand Note is available in the Investor Data Room. The Sponsor's Demand Note obligations will be reduced by the amount of any net earnings Sponsor retains in the Master Tenant.

Residential Leases:

Each Residential Lease entitles the applicable Resident to the personal use and occupancy of the residential unit which is the subject of the Residential Lease, as well as the use of certain common facilities on the Property, for the specified term set forth in the Residential Lease, subject to payment of recurring monthly rental obligations. *See* "SUMMARY OF THE LEASES – *Residential Leases*" for additional discussion.

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The Property Management Agreement and Fees:

Concurrently with entering into the Master Lease, the Master Tenant entered into the Property Management Agreement with the Property Manager, an affiliate of the Sponsor and the current manager of the Property.

The Property Management Agreement has an initial term of six months, and will automatically renew on a month-to-month basis thereafter. After the initial six-month term, the Property Management Agreement may be terminated by either party: (1) upon 60 days' prior written notice; (2) upon 30 days' prior written notice in the event the Property is sold to an unaffiliated third party; and (3) in the event the other party defaults in the performance of any of its obligations under the Property Management Agreement and fails to cure after notice, as set forth in the Property Management Agreement.

Except for management fees that are incurred in connection with a construction matter involving a Capital Expense (which are included as part of such Capital Expense and thus borne by the Trust under the terms of the Master Lease), the Master Tenant is responsible for any fees payable to the Property Manager. The Property Manager is entitled to the following fees under the Property Management Agreement:

(1) a monthly management fee equal to 4% of the gross income generated by the Property during the applicable month;

(2) a one-time setup fee equal to $1,000;

(3) monthly ancillary fees equal to $435 for training, accounting software, IT service and other costs;

(4) after the date of termination of the Property Management Agreement, a close-out management fee equal to 50% of the prior month's management fee; and

(5) if construction management services with respect to renovations or deferred maintenance work at the Property are requested by the Master Tenant, the compensation for such services will be governed by a separate agreement to be executed at that time.

Additionally, the Master Tenant is responsible for reimbursing the Property Manager for all expenses paid or incurred by the Property Manager in providing services under the Property Management Agreement, in accordance with the approved budget and the terms of the Property Management Agreement.

The compensation arrangements described above, and in more detail throughout this Memorandum, are not the result of arm's-length negotiations. *See* "MANAGEMENT – *Property Management*," "RISK FACTORS – *Risks Related to the Master Lease and the Management of the Property*" and "CONFLICTS OF INTEREST" for additional discussion.

A copy of the Property Management Agreement is available in the Investor Data Room. *See* "MANAGEMENT – *Property Management*" for additional information about the Property Management Agreement and a description of the Property Manager and its management team.

Reserve Accounts:

The Lender has required the Trust to establish certain reserves from the proceeds of the Loan. Specifically, at the closing of the Loan, the Trust deposited into reserve accounts with the Lender: (1) a replacement reserve for the Property of $86,700 (the "**Replacement Reserve Account**"); (2) a reserve account related to the Property's tax increment financing of $424,522 (the "**TIF Reserve Account**"); and (3) an insurance premium and real estate tax escrow in the aggregate amount of $482,431 (the "**Tax and Insurance Reserve Account**" and together with the Replacement Reserve Account and the TIF Reserve Account, the "**Lender Reserve Accounts**"). The Lender is expected to require certain ongoing monthly deposits into the Lender Reserve Accounts, which amounts are funded by the Master Tenant as part of its obligation to

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pay Rent to the Trust. *See* "ACQUISITION AND FINANCING OF THE PROPERTY – *Financing Terms – Lender Reserve Accounts*."

The Trust will also maintain a capital expense reserve account and a general reserve account (together, the "**Trust Reserve Account**") to make funds available for capital expenditures and unanticipated costs relating to the Property and the Trust. The Trust will make an initial contribution to the Trust Reserve Account of $876,201 from proceeds of the Offering as set forth in the Financial Forecast attached to this Memorandum as Exhibit E.

The Lender Reserve Accounts and the Trust Reserve Account are collectively referred to herein as the "**Reserve Accounts**." Any interest earned on the funds in the Reserve Accounts will be retained as additional reserves. If additional reserves are needed, the Administrative Trustee may withhold distributions from the Trust to the Investors, thereby reducing targeted distributions. *See* "RISK FACTORS – *Risks Related to the Master Lease and the Management of the Property*." Any amounts remaining in the Reserve Accounts upon the sale of the Property will be distributed to the Investors (and any other holders of Interests) based on their respective pro rata Interests.

The Trust and the Trust Agreement:

The Trust is governed by the Trust Agreement, a copy of which is attached as Exhibit B to this Memorandum. The Trust Agreement sets forth the rights and duties of the Investors and the Trustees with respect to the Property. The Corporation Trust Company serves as co-trustee of the Trust (the "**Delaware Trustee**" and, together with the Administrative Trustee, the "**Trustees**"). The Administrative Trustee is responsible for the operation and management of the Trust and the Property. See "MANAGEMENT – *Asset Management*" for information regarding the Administrative Trustee.

In connection with each Investor's purchase of Interests, the Investor will be required to enter into the Trust Agreement. The Trust will convey the respective Interests to each Investor by issuing each Investor an assignment of beneficial interest. However, pursuant to the Trust Agreement, which was designed to meet the parameters of Revenue Ruling 2004-86, 2004-2 C.B. 191, issued by the IRS, the Investors who own the beneficial interests in the Trust are not permitted to have any voting rights with respect to the operation and ownership of the Property.

Under the Trust Agreement, if: (1) (a) the property of the Trust, including the Property (the "**Trust Property**") is in jeopardy of being foreclosed upon due to a default on the Loan; or (b) the Trust Property or any portion thereof is subject to a casualty, condemnation or similar event that is not adequately compensated for through insurance or otherwise sufficient to permit restoration of the Trust Property to the same condition as previously existed; and (c) the Administrative Trustee determines that the Investors are at risk of losing all or a substantial portion of their investment in the Interests and the Administrative Trustee is prohibited from taking action to cure or mitigate such events because such action would "vary the investment" of the Investors; or (2) the Administrative Trustee is required to do so pursuant to the terms and conditions of the Loan Documents, the Administrative Trustee will, so long as any obligation evidenced or secured by the Loan Documents remains outstanding, terminate the Trust by converting it into a limited liability company (a "**Springing LLC**"). As a result of such transaction, referred to herein as a "**Transfer Distribution**," each of the Investors would become a member of the new Springing LLC, owning an interest in the Springing LLC identical to its Interests in the Trust, and the Administrative Trustee would become the manager of the Springing LLC (the "**LLC Manager**"). Notwithstanding the Transfer Distribution, the Property would remain subject to the terms of the Loan Documents and the Master Lease.

If the events described in the preceding paragraph take place but no obligation evidenced or secured by the Loan Documents remains outstanding, or the Loan Documents do not prohibit a direct distribution of the Property to the Investors, then the Administrative Trustee may in its sole discretion terminate the Trust by either: (1) converting the Trust to a Springing LLC; or (2) distributing tenant-in-common interests in the Trust Property to the Investors in proportion to their ownership of the Trust, which interests (and the Investors) would be subject to an agency

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and/or co-ownership arrangement and other agreements that are in form and substance satisfactory to the Administrative Trustee as determined in its discretion and materially consistent with the terms and conditions set forth in IRS Revenue Procedure 2002-22 or such other IRS guidance as may apply to the treatment of tenancy-in-common arrangements as direct interests in the underlying property for purposes of Code Section 1031.

As a result of the foregoing transactions, actions could be taken to conserve and protect the Property that could not have been taken otherwise.

Conflicts and Compensation of the Sponsor and Affiliates:

Affiliates of the Sponsor serve in various capacities with respect to the Trust and the management of the Trust and the Property, as discussed throughout this Memorandum. *See* "SPONSOR AND PRIOR PERFORMANCE" for information regarding the Sponsor.

The Sponsor and certain of its affiliates will receive substantial fees and compensation from the Offering and the operation of the Property and will have conflicts of interest, as described in this Memorandum. *See* "COMPENSATION OF THE SPONSOR AND ITS AFFILIATES," "CONFLICTS OF INTEREST" and "RISK FACTORS – *Risks Related to the Master Lease and the Management of the Property*."

Investor Suitability:

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 and who can afford to lose their entire investment. The Trust will only accept a subscription from an "accredited investor," as defined in Rule 501(a) of Regulation D under the Securities Act, who satisfies the investor suitability requirements set forth herein. The Trust will not accept subscriptions from, or made on behalf of, non-United States investors. *See* "WHO MAY INVEST" for more information.

Use of Proceeds:

The Offering is being made for purposes of returning to the Depositor its capital contributions and reducing the Depositor's beneficial ownership of the Trust, establishing reserves and paying all related fees and expenses. *See* "ESTIMATED SOURCES AND USES OF PROCEEDS" and "COMPENSATION OF THE SPONSOR AND ITS AFFILIATES."

Purchase of an Interest:

To purchase an Interest, a prospective Investor is required to return to the Trust an executed copy of a (1) complete and accurate Investor Questionnaire and Purchase Agreement, the forms of which are attached as Exhibit A to this Memorandum, and (2) signature page to the Trust Agreement, the form of which is attached to the Investor Questionnaire. Upon receipt of such documents and verification of the prospective Investor's investment qualifications, the Trust will elect whether to accept the prospective Investor's investment. Upon the Trust's acceptance of a prospective Investor for the purchase of an Interest, the Trust will so notify the prospective Investor. Prospective Investors cannot acquire Interests if the Trust (or, if applicable, the Lender) does not approve such purchase. Investors whose subscriptions are accepted by the Trust must remit the entire purchase price for their Interests to the Trust by wiring such funds (wiring instructions will be provided by the Trust at such time) or by delivering a check for the purchase price made payable to the Trust. *See* "HOW TO PURCHASE" and "SUMMARY OF THE PURCHASE AGREEMENT."

Sale or Transfer of Interests:

The Interests are being offered and sold pursuant to exemptions from the registration provisions of federal and state law. Accordingly, the Interests are subject to restrictions on transfer. The Trust Agreement contains additional restrictions on transfer. *See* "SUMMARY OF THE TRUST AGREEMENT – *Restrictions on Transfer of Interests*." The Loan Documents permit the transfer of Interests, without the Lender's consent, provided that certain conditions precedent have been satisfied. *See* "ACQUISITION AND FINANCING OF THE PROPERTY – *Financing Terms – Restrictions on Transfer of Interests*." If an Investor is able to sell the Investor's Interest, the Investor and the Investor's purchaser(s) will bear the costs, if any, of the sale or transfer.

Tax Considerations:

Tax counsel to the Trust ("**Special Tax Counsel**") has provided a tax opinion (the "**Tax Opinion**") that the acquisition of the Interests by an Investor **should** be treated as a direct acquisition of the Property for purposes of Section 1031. The Tax Opinion is specifically limited

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to the treatment of an Interest for purposes of Section 1031, however, and does not address any other tax issues that may be of interest to Investors based on their own particular circumstances. Accordingly, all prospective Investors must consult their own independent legal, tax, accounting and financial advisors and must represent in the Purchase Agreement that they have done so as an investment requirement. In addition, the Tax Opinion has been provided to the Trust to support the marketing of the Interests, and is not intended to be used and cannot be used to avoid penalties that may be imposed under federal tax law (although other facts can be used to avoid penalties, such as evidence of an Investor's good faith reliance on advice of his, her or its own independent counsel or the existence of substantial legal authority). *See* the Tax Opinion attached as Exhibit D to this Memorandum, "FEDERAL INCOME TAX CONSEQUENCES" and "RISK FACTORS – *Tax Risks*" for additional discussion regarding tax considerations.

Tax Exempt Investors

Prospective tax-exempt investors should be aware that investment in the Trust is likely to generate income treated as unrelated business taxable income for U.S. federal income tax purposes. See "FEDERAL INCOME TAX CONSEQUENCES – *Taxation of Tax-Exempt Investors*."

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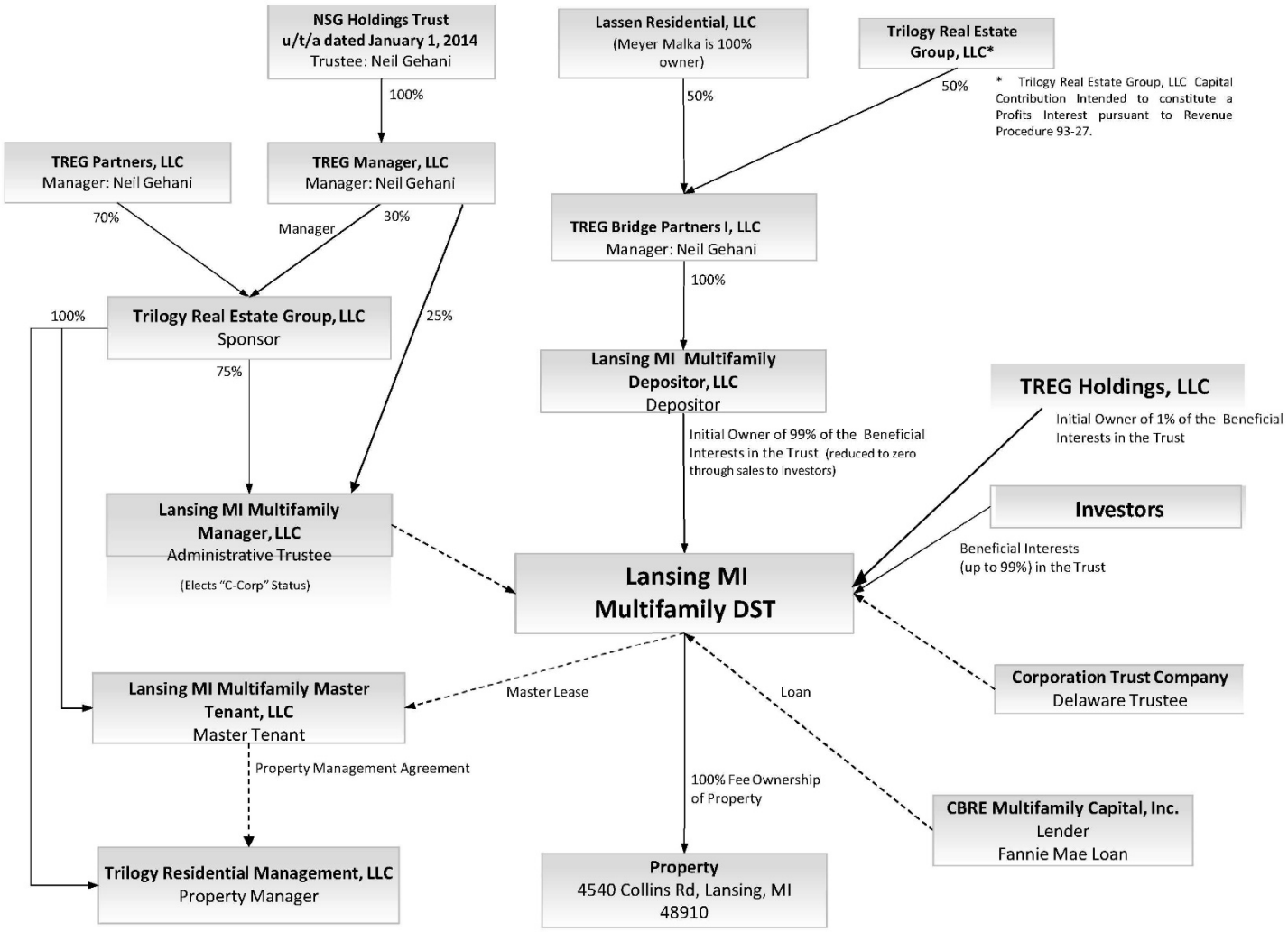
ORGANIZATIONAL CHART



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SUMMARY OF THE PURCHASE AGREEMENT

General

Each Investor will be required to execute a complete and accurate Investor Questionnaire and Purchase Agreement, the forms of which are attached as Exhibit A to this Memorandum. Prospective Investors should review the entire Investor Questionnaire and Purchase Agreement with their own independent legal counsel before submitting an offer to purchase an Interest. Except as set forth in this section below in "*Termination of the Purchase Agreement*," the execution of the Investor Questionnaire and Purchase Agreement and tender of the requisite amount of money will constitute an irrevocable offer to purchase an Interest. The following is merely a summary of some of the significant provisions of the Purchase Agreement and is qualified in its entirety by reference thereto.

Each prospective Investor will be required to acknowledge and represent in the Purchase Agreement that the prospective Investor is acquiring the Interest for investment purposes and not with a view for resale or distribution. Further, each prospective Investor must acknowledge and represent that the prospective Investor is aware of the risks inherent in an investment such as the Interest, including, without limitation, the risks set forth in this Memorandum.

Submission of Offer to Purchase

A summary of the procedures for the offer and purchase of an Interest is set forth in the section of this Memorandum entitled "HOW TO PURCHASE." Investors should read that section in its entirety.

Closing

Each prospective Investor will be required to return to the Trust an executed copy of a (1) complete and accurate Investor Questionnaire and Purchase Agreement, the forms of which are attached as Exhibit A to this Memorandum, and (2) signature page to the Trust Agreement, the form of which is attached to the Investor Questionnaire. Prospective Investors may be accepted or rejected by the Trust at any time within 30 days of receipt of the foregoing documents. Any proposed purchase of Interests not accepted within 30 days of receipt shall be deemed rejected.

Investors whose subscriptions are accepted by the Trust must remit the entire purchase price for their Interests to the Trust by wiring such funds (wiring instructions will be provided by the Trust at such time) or by delivering a check for the purchase price made payable to the Trust.

Within a reasonable time after closing the purchase of the Interests by an Investor, a confirmation statement reflecting the Interests purchased will be delivered to each Investor. *See* "PLAN OF DISTRIBUTION."

Termination of the Purchase Agreement

In general, a purchase of Interests is irrevocable and may not be canceled, terminated or revoked. The Purchase Questionnaire and the Purchase Agreement will survive the death or disability of the Investor and will be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives and assigns. An Investor's Purchase Agreement will be terminated: (a) if a prospective Investor is not accepted by the Trust, (b) upon written request from an Investor who is not then in default until the close of business on the third day following the date upon which the Sponsor notifies the Investor that the Investor's subscription has been accepted, or (c) if the Trust terminates the Offering for any reason.

If an offer to purchase is rejected in whole or in part, or if the Trust terminates the Offering for any reason, the prospective Investor will have no right to acquire an Interest in the Trust and will have no claims against the Trust for damages, expenses, lost profits or otherwise.

No Tax Advice

Other than the Tax Opinion issued by the Trust's Special Tax Counsel and attached hereto as Exhibit D, the Investors will acquire their Interests without any representations from the Trust regarding the tax implications of the transaction. Each Investor should consult his, her or its own independent attorneys and other tax advisors regarding the tax implications of the Investor's acquisition of the Interests, including whether such acquisition will qualify as part of a proposed Section 1031 Exchange, if one is contemplated. *See* "FEDERAL INCOME TAX CONSEQUENCES."

Indemnity

The Purchase Agreement contains an indemnity provision whereby each Investor will be required to indemnify, defend and hold harmless the Trust, its beneficiaries, the Administrative Trustee and certain other parties from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) that they may incur by reason of the Investor's failure to fulfill all of the terms

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and conditions of the Investor Questionnaire and Purchase Agreement or untruth or inaccuracy of any of the representations, warranties, covenants or agreements contained therein.

Arbitration

Each Investor voluntarily waives the right to have any dispute arising out of the Investor Questionnaire and Purchase Agreement litigated in a court or decided by jury trial. Any dispute or controversy arising out of, or relating to, the Purchase Agreement will be resolved by final and binding arbitration brought in Chicago, Illinois.

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SUMMARY OF THE TRUST AGREEMENT

The Trust is governed by the Trust Agreement, a copy of which is attached as Exhibit B to this Memorandum. As of the date of this Memorandum, the Depositor owns 99% of the Interests. An affiliate of the Depositor owns 1% of the Interests. The Delaware Trustee of the Trust is the Corporation Trust Company and the Administrative Trustee of the Trust is Lansing MI Multifamily Manager, LLC, a Delaware limited liability company and an affiliate of the Sponsor. The rights and obligations of the Investors and Trustees with respect to the Property are governed by the Trust Agreement.

EACH PROSPECTIVE INVESTOR SHOULD REVIEW THE ENTIRE TRUST AGREEMENT, A COPY OF WHICH IS ATTACHED AS EXHIBIT B, BEFORE INVESTING. THE SUMMARY BELOW IS A SUMMARY OF SOME OF THE SIGNIFICANT PROVISIONS OF THE TRUST AGREEMENT. IT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT THEREOF.

Purpose of the Trust

The purposes of the Trust are: (1) to acquire and own the Property and any related personal property; (2) to enter into and comply with the terms of the Transaction Documents; (3) to conserve, protect, manage and dispose of the Property; and (4) take those actions that the Trustees determine are necessary or advisable to carry out such purposes. The term "**Transaction Documents**" is defined in the Trust Agreement as the Trust Agreement, the Master Lease and the Loan Documents.

Term of the Trust

The Trust will terminate upon the earlier of: (a) December 31, 2070; or (b) the sale or other disposition of the Property; provided, however, that no such dissolution or winding up will occur so long as any obligation evidenced or secured by any of the Loan Documents remains outstanding and not discharged in full.

Authority and Duties of the Trustees

The Trustees have the sole authority to manage, control, dispose of or otherwise deal with the Trust Property in a manner that is consistent with their duty to conserve and protect the Trust Property. The Trustees are not individually liable for their actions except: (1) in the event of their own willful misconduct or gross negligence; (2) for the inaccuracy of their representation that the Trust Agreement has been authorized, executed and delivered by each of the Trustees; (3) for engaging in any Prohibited Action (as defined below); (4) for their failure to use ordinary care in disbursing monies to Investors pursuant to the terms of the Trust Agreement; and (5) for their own income taxes based on fees, commissions or compensation received in the capacity of the Trustees. The Trustees are indemnified by the Trust from and against any liabilities, losses, claims, suits and expenses (including reasonable legal fees) that may be incurred or asserted against the Trustees in connection with the operation of the Trust or the Trust Property. Such indemnification does not apply, however, if the claim, suit or liability results from any action of the Trustees described in clauses (1) through (5) above. To the fullest extent permitted by law, the Trustees are entitled to advancement of expenses incurred in defending a claim prior to its final disposition, subject to repayment if a court renders a final, non-appealable judgment that the applicable Trustee is not entitled to indemnification. Any indemnification set forth in the Trust Agreement is fully subordinated to the Loan.

The duties of the Delaware Trustee are limited to acting as Trustee in the State of Delaware to satisfy the requirement of the Delaware Statutory Trust Act that the Trust have at least one Trustee with a principal place of business in Delaware. The Trust Agreement also provides for the appointment of an individual affiliated with the Delaware Trustee to act as an independent trustee for the purpose of satisfying the Lender's requirement that the Trust have an independent trustee until the Loan has been paid in full. The duties of the Delaware Trustee in such capacity are limited in nature and primarily relate to the prevention of the dissolution of the Trust in certain circumstances until the Loan has been paid in full.

All other duties reside with the Administrative Trustee, including, but not limited to: (1) acquiring, owning, conserving, protecting, operating and selling the Trust Property; (2) entering into or assuming and complying with the terms of the Loan Documents, the Master Lease and other Transaction Documents; (3) collecting rents and making distributions to Investors; (4) conserving the Trust Property in a manner consistent with its duty to conserve and protect the Trust Property, subject to any restrictions required by the Loan Documents, or otherwise provided in the Trust Agreement; (5) entering into agreements to enable Investors to complete Section 1031 Exchanges; (6) notifying relevant parties of any default by them under the Transaction Documents; (7) solely in the event of a bankruptcy or insolvency of the Master Tenant, renegotiating the Master Lease or entering into a new lease or renegotiating or refinancing any debt secured by the Property; (8) notifying the Lender of any default under the Trust Agreement; and (9) taking any action which, in the reasoned opinion of tax counsel to the Trust, should not have an adverse effect on the treatment of the Trust as an "investment trust" within the meaning of Treasury Regulation Section 301.7710-4(c).

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Compensation and Reimbursement of the Trustees

The Trust is required to pay the Delaware Trustee an initial fee, monthly fees, and document execution fees for its services. The Administrative Trustee will serve in such capacity without compensation. The Trustees are entitled to be reimbursed for all reasonable expenses incurred or advanced in connection with the performance of their duties under the Trust Agreement or any other agreement that the Trustees enter into for the benefit of the Trust.

Limitation on Authority of the Trustees

To protect the tax-free exchange status for the Investors under Section 1031, the Trust Agreement prohibits the Trustees from taking any of the following actions, provided, however, that such prohibition will apply only if such action would constitute a power to "vary the investment" of the Investors as defined by Treasury Regulation Section 301.7701-4(c)(1) (any such action, a "**Prohibited Action**"). Specifically, actions that may constitute Prohibited Actions include: (1) reinvesting money held by the Trust except as provided in the Trust Agreement; (2) renegotiating the terms of the Loan, entering into new financing or renegotiating the Master Lease or entering into new leases except in the event of the bankruptcy or insolvency of the Master Tenant; (3) making other than minor non-structural modifications of the Property other than as required by law; (4) after the formation and capitalization of the Trust, accepting any additional capital contributions from any Investor, or any contributions from any prospective new investor; or (5) taking any other action that, in the reasoned opinion of tax counsel to the Trust, should be expected to cause the Trust to be treated as a "business entity" for federal income tax purposes.

Authority of Investors

Because the Trust Agreement is designed to meet the parameters of Revenue Ruling 2004-86 issued by the IRS and other relevant regulatory and judicial requirements with respect to the Delaware statutory trust, Investors are not permitted to have any vote over the operation and ownership of the Property, including deciding when to sell the Property.

Investors holding a majority of the Interests may remove a Trustee only if the Trustee has engaged in willful misconduct, fraud or gross negligence with respect to the Trust as determined by a final, nonappealable judgment of a court of competent jurisdiction; provided however, that (a) a Trustee may not be removed without prior written consent of the Lender, and (b) a Trustee may not be removed without the consent of the Administrative Trustee (even if for cause) until the Administrative Trustee and its affiliates have been fully removed from any guarantee and indemnity obligations they may have with respect to any loan to the Trust. Upon the resignation or removal of a Trustee, Investors holding a majority of the Interests may appoint a successor Trustee, subject to the Lender's written approval.

Distributions

The Investors will be entitled, based on their respective Interests, to monthly cash distributions, net of amounts required to pay and reimburse the Trustees, to pay debt service on the Loan (in the event debt service is not paid by the Master Tenant directly to the Lender as contemplated in the Master Lease) and to retain amounts necessary to pay anticipated ordinary current and future expenses of the Trust. Such cash flow will be distributed on a monthly basis. Amounts retained may be invested only in certain short-term government obligations or certificates of deposit in banks or trust companies having a minimum stated capital and surplus of $50,000,000.

Restrictions on Transfer of Interests

No Interest, or any portion thereof, may be assigned, pledged, encumbered or transferred without the prior consent of the Administrative Trustee. The Administrative Trustee's consent to each proposed transfer is subject to the sole discretion of the Administrative Trustee, including but not limited to, the satisfaction, as determined in the sole discretion of the Administrative Trustee, of the following: (1) the proposed transfer's compliance with all applicable securities laws; (2) the proposed transfer's compliance with all transfer restrictions and requirements stated in the Loan Documents, including that the transfer does not constitute an event of default under the Loan Documents; (3) a determination that the proposed transfer would not result in the Trust having to register as an investment company under the Investment Company Act of 1940, as amended, or require the Trust or any Trustee to register as an investment adviser under the Investment Advisers Act of 1940, as amended; (4) a determination that the proposed transfer would not cause the Trust Property to become "plan assets" (as defined in the Trust Agreement); (5) the execution by the proposed transferor and transferee(s) of documents to effectuate the transfer that are satisfactory to the Administrative Trustee; and (6) the payment of all expenses related to the proposed transfer by the transferor or transferee as they may agree. *See* "RISK FACTORS – *Risks Related to the Offering – There is no public market for the Interests*" and "ACQUISITION AND FINANCING – *Financing Terms – Restrictions on Transfer of Interests*" for additional discussion.

Property Rights

The Trust, and not the Investors, hold legal title to the Property. The Investors are not entitled to share in the use of the Property or to any in-kind distribution of the Property.

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Termination in Certain Circumstances

Under the Trust Agreement, if: (1) (a) the Trust Property is in jeopardy of being foreclosed upon due to a default on the Loan; or (b) the Trust Property or any portion thereof is subject to a casualty, condemnation or similar event that is not adequately compensated for through insurance or otherwise sufficient to permit restoration of the Trust Property to the same condition as previously existed; and (c) the Administrative Trustee determines that the Investors are at risk of losing all or a substantial portion of their investment in the Interests and the Administrative Trustee is prohibited from taking action to cure or mitigate such events because such action would "vary the investment" of the Investors; or (2) the Administrative Trustee is required to do so pursuant to the terms and conditions of the Loan Documents, then the Administrative Trustee will, so long as any obligation evidenced or secured by the Loan Documents remains outstanding, terminate the Trust by converting it into a Springing LLC. As a result of any Transfer Distribution, each of the Investors would become a member of the new Springing LLC, owning an interest in the Springing LLC identical to its Interests in the Trust, and the Administrative Trustee would become the manager of the Springing LLC. Notwithstanding the Transfer Distribution, the Property would remain subject to the terms of the Loan Documents and the Master Lease.

If the events described in the preceding paragraph take place but no obligation evidenced or secured by the Loan Documents remains outstanding, or the Loan Documents do not prohibit a direct distribution of the Property to the Investors, then the Administrative Trustee may in its sole discretion terminate the Trust by either: (1) converting the Trust to a Springing LLC; or (2) distributing tenant-in-common interests in the Trust Property to the Investors in proportion to their ownership of the Trust, which interests (and the Investors) would be subject to an agency and/or co-ownership arrangement and other agreements that are in form and substance satisfactory to the Administrative Trustee as determined in its discretion and materially consistent with the terms and conditions set forth in IRS Revenue Procedure 2002-22 or such other IRS guidance as may apply to the treatment of tenancy-in-common arrangements as direct interests in the underlying property for purposes of Code Section 1031.

As a result of the foregoing transactions, actions could be taken to conserve and protect the Property that could not have been taken had the Property continued to have been held by the Trust.

Investor Liability and Bankruptcy

Investors will not have liability for the debts or obligations of the Trust or any other Investor, whether with respect to the Property or otherwise, and the Trust Agreement will not be terminated by reason of the bankruptcy or insolvency of any Investor.

Tax Status of Trust

The Trust Agreement provides that the Trust is intended to qualify as an "investment trust" and a "grantor trust" for federal income tax purposes, and not as a partnership or other business entity. Thus, although the Trust is respected as a separate entity for state law purposes, each Investor should be treated as owning a direct interest in the Property for purposes of Section 1031. *See* "FEDERAL INCOME TAX CONSEQUENCES." Each Investor will be required to report its Interests in the Trust in a manner that is consistent with the foregoing.

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DESCRIPTION OF THE PROPERTY

The Trust owns a fee simple interest in the Property, a multifamily residential community in Lansing, Michigan, known as Volaris Lansing Apartments. The Property is 100% leased to the Master Tenant pursuant to the Master Lease. *See* "SUMMARY OF THE LEASES – *Master Lease*" for additional information regarding the Master Tenant and the terms of the Master Lease.

General Property Information

The Property consists of 289 units, which includes a mix of one-, two-, and three-bedroom apartments, contained within 4 low-rise residential buildings. Property amenities include: clubhouse, controlled access, package locker, resort-style pool, dog park, fitness center, business center, BBQ grill, cabana pergola, outdoor lounge, leasing office, private garages, firepit and theatre room.

Property specific information for the Property is available in the Property Condition Assessment dated September 28, 2021 (the "**Assessment**"), prepared by Partner Engineering and Science, Inc. ("**Partner**"). A copy of the Assessment is available in the Investor Data Room. Additional information concerning the Property is summarized in the tables below.

The following table is a summary of certain general information about the Property:

Address	Land Area*	Approximate Rentable SF*	Year Built	Units	Parking*	Zoning
4540 Collins Rd, Lansing, MI 48910	12.09 acres	261,504 sq. ft.	2019-2021	289	512 spaces	"MX-C" Mixed- Use Corridor

* References in this Memorandum to the (1) acreage of the Property and the number of parking spaces are based on the survey; and (2) rentable square footage of the building are based on the Assessment. Copies of the survey and the Assessment are available in the Investor Data Room.

Detailed Description of the Buildings

The following description of the Property buildings is based on the description set forth in the Assessment.

The foundations appear to consist of a conventional concrete spread footing system with a reinforced-concrete slab-on-grade and continuous grade beams at the perimeter and isolated spread footings at interior bearing locations. The buildings appear to be constructed of wood framing. Upper floors consist of wood-framing with wood decking and lightweight concrete topping. The roof structure was constructed of low slope wood-framing and pitched wood framing topped with plywood sheathing. The exterior walls of the buildings consist primarily of brick masonry and vinyl lap siding. Soffits are vinyl. Windows appear to be double-pane, operable units. Window framing appears to be vinyl. The main entrance consists of painted metal doors, a pair of aluminum-framed doors with full-height glazing set in an aluminum storefront system, aluminum-framed doors with full-height glazing set in an aluminum storefront system, and double French doors. Hardware includes exterior pulls, lever handles, knobbed handles, closers, and deadbolts. Approximately 57 garage doors are located at garages. The garage doors consist of overhead, steel panel doors that are operated with electric openers.

Roof coverings consist of asphalt composition shingles over pitched roof construction and single-ply thermoplastic membrane over low-slope roof construction. Exterior walls extend above the roof plane as parapets and were capped with coping. Roof materials cover the inboard sides of the parapets. Materials terminate under the metal coping. Flashing materials appear to be similar to the roofing membrane. Storm water runoff for the roofs is directed to gutters and downspouts and overflow scuppers that discharge directly into the storm drain collection system. Emergency overflow scuppers are provided at the rear of the buildings. Roof-mounted equipment consists of mechanical equipment and HVAC equipment. Interior stairs are steel framed with precast concrete treads. Open sides are protected by steel pipe and steel guardrails. Steel pipe and steel handrails are located on walls at closed sides. Interior stairs are finished with vinyl. Balconies are constructed of wooden substructures with wood decking. Balconies are supported by columns at each corner.

Flood Zone

According to the Assessment, based on the Flood Insurance Rate Map maintained by the Federal Emergency Management Agency, the Property appears to be located in Flood Zone X, which is defined as a minimal risk area outside the 1-percent and 0.2-percent-annual-chance floodplains.

Wind Zone

According to the Assessment, the Property appears to be located in Wind Zone IV, an area with design winds speeds up to 250 miles per hour. The Property does not appear to be located in a hurricane-susceptible zone.

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Condition of the Property

Based on the systems and components observed during the site visit, Partner indicated that the Property appeared to be in good condition. Routine maintenance is anticipated to be necessary. Partner identified certain long-term repair needs for the Property relating to seal coating, pool and/or spa equipment, exterior painting, water heaters and the heating and cooling system, flooring and appliances. Based on an inflation rate of 3% and a 12-year holding period, Partner estimated the cost of the long-term repair needs at $397,880.24 (in inflated dollars) or approximately $114.73 per unit per year (in inflated dollars).

Related Reserves.

The Trust will maintain the Trust Reserve Account and the Lender Reserve Accounts to make funds available for capital expenditures and unanticipated costs relating to the Property and the Trust, but in the event that the costs exceed the funds available in such Reserve Accounts, the Trust, and ultimately the Investors, would need to make up the difference. The Trust will make an initial contribution to the Trust Reserve Account of $876,201 from proceeds of the Offering as set forth in the Financial Forecast attached to this Memorandum as Exhibit E. The Lender requires certain ongoing monthly deposits into the Lender Reserve Accounts, which amounts are funded by the Master Tenant as part of its obligation to pay Base Rent to the Trust.

If additional reserves are needed, the Administrative Trustee may withhold distributions from the Trust to the Investors, thereby reducing targeted distributions. *See* "RISK FACTORS – *Risks Related to the Master Lease and the Management of the Property*." Any amounts remaining in the Reserve Accounts upon the sale of the Property will be distributed to the Investors (and any other holders of Interests) based on their respective pro rata Interests.

Environmental

A Phase I Environmental Site Assessment dated September 28, 2021 (the "**Phase I**"), which was prepared by Partner, has been obtained by the Lender. The Trust is permitted to rely on the Phase I pursuant to a reliance letter from Partner. A copy of the Phase I with the reliance letter is available in the Investor Data Room. The Phase I was conducted no more than 180 days prior to the anticipated date of the Trust's acquisition of the Property. The Phase I was performed in compliance with the standards of ASTM Practice E1527-13, which is recognized by the United States Environmental Protection Agency and many states as adequate to demonstrate compliance with "All Appropriate Inquiry." The Phase I did not identify any evidence of RECs, HRECs or de minimis conditions (as such terms are defined in "RISK FACTORS – *Risks Related to the Property – The existence of any environmental issues with the Property, including a known CREC identified by the Phase I, may adversely affect the Trust.*", however, the Phase I did identify a CREC (as such term is defined in "RISK FACTORS – *Risks Related to the Property – The existence of any environmental issues with the Property, including a known CREC identified by the Phase I, may adversely affect the Trust.*"). The Phase I reported that there were two Baseline Environmental Assessments submitted in 2014 and 2018 respectively by the then-current owners of the Property to the Michigan Department of Environmental Quality (now known as the Michigan Department of Environment, Great Lakes and Energy or "EGLE") to obtain liability protection relating to benzo(a)pyrene, fluoranthene, aluminum, arsenic, iron and manganese in excess of soils cleanup criteria. The Phase I recommended that a new owner of the Property, such as the Trust, obtain a new BEA and Due Care Plan for continued liability protections. *See* "RISK FACTORS – *Risks Related to the Property – The existence of any environmental issues with the Property, including a known CREC identified by the Phase I, may adversely affect the Trust.*" for additional discussion.

Agreements Affecting the Property

The Property is subject to various matters affecting title, including but not limited to zoning ordinances, building codes and matters set forth in the pro forma owner's title insurance policy and survey, which policy and survey are available in the Investor Data Room. These matters may include, for example, easements, declarations, restrictions, agreements and other limitations on the right of the Trust to construct, develop and use the Property and may impose certain maintenance obligations upon the Trust. Documents related to the most significant matters affecting title are available in the Investor Data Room. *See* "RISK FACTORS – *Risks Related to the Property – The Trust does not guarantee the condition of, or title to, the Property*" for additional discussion.

TIF Agreements

As part of its acquisition of the Property, which is part of a Brownfield Plan established by the Lansing Brownfield Redevelopment Authority (the "**Authority**"), the Trust acquired all of Seller's right, title and interest in and to (i) that certain Agreement in Consideration of Development Incentives dated November 29, 2018, between the City of Lansing, Michigan, the Lansing Economic Development Corporation (the "**LEDC**"), and Seller (the "**Agreement for Development Incentives**"); and (ii) that certain Reimbursement Agreement dated November 29, 2018, between the Authority and Seller (the "**Reimbursement Agreement**"; the Agreement for Development Incentives, together with the Reimbursement Agreement, are collectively called the "**TIF Agreements**"). The Authority approved the assignment to the Trust (and the

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assumption by the Trust) of the rights and obligations of Seller under the Reimbursement Agreement, and confirmed that the Authority has approved an amount of no less than $5,221,280 in principal for Eligible Activities (as defined in the Reimbursement Agreement) plus interest calculated at 3% with the total of Eligible Costs (as defined in the Reimbursement Agreement) anticipated to equal approximately $6,650,727 which shall be subject to reimbursement under the Reimbursement Agreement over the life of the Reimbursement Agreement subject to the terms and conditions in the TIF Agreements. See "ACQUISITION AND FINANCING OF THE PROPERTY – TIF Agreement Terms" for additional discussion regarding the TIF Agreements.

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SUMMARY OF THE LEASES

The Trust entered into the Master Lease for the Property with the Master Tenant, Lansing MI Multifamily Master Tenant, LLC, a Delaware limited liability company and an affiliate of the Sponsor. The Trust has assigned the existing Residential Leases to the Master Tenant, and all future Residential Leases will be entered into by the Master Tenant. As of December 2, 2021, the Property is 88.2% subleased to Residents.

Master Lease

The following is a summary of some of the significant, but select and limited, economic terms of the Master Lease. The fundamental information listed below is not exhaustive of all important terms of the Master Lease, such as, for example, the Trust's and Investors' liabilities associated with indemnification and termination provisions of the Master Lease, and it is qualified in its entirety by reference to the full Master Lease. Prospective Investors are strongly encouraged and expected to review the entire Master Lease, a copy of which is attached as Exhibit C to this Memorandum.

General. The Master Lease is a net lease incorporating all expenses and debt service associated with the operation of the Property. The Master Tenant operates the Property for its own benefit and is entitled to retain certain positive differences between the operating cash flow of the Property and payments due from the Master Tenant to the Trust and the Lender, as described in greater detail below. Likewise, the Master Tenant is liable for the cash shortfalls between the operating cash flow and payments due from the Master Tenant to the Trust and the Lender.

Term. The Master Lease has a term of 10 years and 95 days (the "**Term**"). Each year during the Term is herein referred to as a "**Lease Year**." The first Lease Year commenced upon execution of the Master Lease and will end on December 31, 2022 and each subsequent Lease Year will commence on January 1st and end on December 31st of the following year, except for the last Lease Year, which will end on the last day of the Term. During the Term, the Master Tenant will be obligated to pay the Rent and bear all costs of operating, maintaining, repairing, and leasing the Property. The Master Lease may be terminated prior to the end of the Term in circumstances that include the following: (a) by the Trust in the event of an uncured default by the Master Tenant; and (b) upon a sale of the Property, in which case the Master Lease terminates automatically.

Rental Payments.

During the term of the Master Lease, the Master Tenant is required to pay Base Rent in an annual amount set forth in the Master Lease, paid in monthly installments. The Trust has directed the Master Tenant to pay each monthly installment of Base Rent to the Lender in accordance with the terms and conditions of the Loan Documents. This direction does not, however, constitute an assumption by the Master Tenant of the Trust's obligations under the Loan Documents, and does not alter the Trust's obligations thereunder, but rather is an accommodation to the Trust. Notwithstanding the foregoing, to the extent the amount of any installment of the Base Rent is in excess of the sum of the debt service and funding for the Lender Reserve Accounts due to the Lender pursuant to the Loan Documents, such excess amount will be paid directly to the Trust. In the event that the payments due to the Lender under the Loan Documents are modified (including, but not limited to, via application of amounts in the "P&I Reserve" as set forth in the Loan Documents), then Base Rent, Additional Rent and Bonus Rent (each as applicable) under the Master Lease will be equitably adjusted to take such modification into account.

In addition to Base Rent, the Master Tenant is required to pay Additional Rent and Bonus Rent to the Trust. Additional Rent consists of 100% of the Master Tenant's "**Gross Income**" (as defined below) from the Property for each Lease Year of the Master Lease that exceeds the "**Additional Rent Breakpoint**" for such Lease Year, up to the "**Additional Rent Cap**" for such Lease Year. Bonus Rent consists of 90% of the Master Tenant's Gross Income from the Property for each Lease Year of the Master Lease that exceeds the "**Bonus Rent Breakpoint**" for such Lease Year, up to a maximum amount of Bonus Rent for such Lease Year (the "**Bonus Rent Maximum Amount**").

As defined in the Master Lease, "**Gross Income**" means all income collected by the Master Tenant from rents, license fees and/or assessments and other items arising from the use of the Property, including but not limited to, rents on the Property, tenant payments for reimbursement of real estate taxes, property liability and other insurance, common area maintenance, tax reduction fees, late fees, returned check charges, damages and repairs, and all other tenant reimbursements, administrative charges, proceeds of rental interruption insurance, parking fees, reimbursement of Lender impounds for insurance, real estate taxes and reserves, proceeds from insurance claims, income from coin operated machines and other miscellaneous income, due or to become due.

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The following table sets forth the Base Rent and certain elements used in the computation of Additional Rent and Bonus Rent during the 10 years of the Term:

Lease Year	Base Rent	Additional Rent Breakpoint	Additional Rent Cap	Bonus Rent Breakpoint	Bonus Rent Maximum Amount
1 (including initial stub period of the Term)	$1,544,783	$3,481,000	$5,485,901	$5,485,901	$0
2	$1,546,228	$3,724,000	$5,498,702	$5,498,702	$386,000
3	$1,551,737	$3,752,000	$5,516,251	$5,516,251	$528,000
4	$1,549,206	$3,806,000	$5,531,240	$5,531,240	$676,000
5	$1,550,739	$3,873,000	$5,669,521	$5,669,521	$693,000
6	$1,552,303	$3,925,000	$5,811,259	$5,811,259	$710,000
7	$1,557,933	$3,988,000	$5,625,622	$5,625,622	$1,092,000
8	$1,555,526	$4,064,000	$5,766,263	$5,766,263	$1,119,000
9	$1,557,186	$4,128,000	$5,910,419	$5,910,419	$1,147,000
10 (including additional 95 days of Term)	$1,558,879	$4,179,000	$5,701,816	$5,701,816	$1,568,000

Uncontrollable Expenses. The Master Lease provides that the Master Tenant is required to pay the "Uncontrollable Expenses" (*i.e.*, the real estate taxes, utility costs and property insurance costs for the Property) for each Lease Year of the Master Lease (prorated for any partial Lease Year), and is financially responsible for such Uncontrollable Expenses up to the amount of "Projected Uncontrollable Expenses" for each Lease Year as set forth in the Financial Forecast attached as Exhibit E to this Memorandum. To the extent the actual Uncontrollable Expenses for a Lease Year paid by the Master Tenant exceed Projected Uncontrollable Expenses for such Lease Year, the Trust is responsible for such difference through reduction in amounts otherwise payable by the Master Tenant as Additional Rent or Bonus Rent. However, if the actual Uncontrollable Expenses are less than the Projected Uncontrollable Expenses for a Lease Year, the difference is paid by the Master Tenant to the Trust as Additional Rent, not later than the completion of a Lease Year-end reconciliation of such amounts, within 120 days of the end of each Lease Year or as soon as practicable thereafter.

Master Tenant Profits. The Master Tenant is entitled to the net income from the Property equal to the difference, after taxes owed by the Master Tenant, between (a) the gross revenues the Master Tenant receives from the Property and (b) the expenses it incurs in maintaining the Property and its payment and other financial obligations under the Master Lease, including its obligations to pay Rent, Impositions and Operating Costs.

Repairs and Maintenance. The Trust is financially responsible for all "**Capital Expenses**" at the Property, which means all costs and expenses incurred in connection with the Property that are normally capitalized under generally accepted accounting principles, including but not limited to (i) replacement of roofs, chimneys, gutters, downspouts, paving, curbs, ramps, driveways, parking lots, balconies, patios, windows, foundations, exterior walls and all load bearing walls, exterior doors and doorways, windows, elevators, fences, gates and HVAC systems and components thereof, and all furniture, fixtures and equipment, and (ii) exterior painting or other façade maintenance. In addition, "Capital Expenses" includes any obligations of the Trust under the Loan Agreement with respect to environmental matters and capital repairs made at the Property and costs arising with respect to extraordinary measures taken to conserve and protect the Property in the context of any pandemic including but not limited to the novel coronavirus commonly known as COVID-19. The Master Tenant is financially responsible for all costs and expenses incurred in connection with the Property that are not Capital Expenses, including fuel and utilities costs, repair costs, property management fees and employment costs for persons providing services to the Property, collections costs, reasonable attorneys' fees, overhead and service agreements relating to the Property (the "**Operating Costs**") and, subject to the limitations set forth above with respect to Uncontrollable Expenses, the Master Tenant is financially responsible for real estate taxes, assessments, water and sewer rents, and other charges for public utilities (the "**Impositions**"). Although the Trust is responsible for paying Capital Expenses, the Master Tenant is fully responsible for performing all maintenance, repairs and replacements to the Property and the Trust will not be required to actually perform any maintenance of the Property.

Reserve Accounts. The Lender has required the Trust to establish the Lender Reserve Accounts with respect to the Property. Specifically, the Lender has required ongoing monthly deposits for repairs, replacements, and restoration into the Lender Reserve Accounts,

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which are funded by the Master Tenant as part of its obligation to pay Rent to the Trust. The Trust also will maintain the Trust Reserve Account to make additional funds available for capital expenditures and unanticipated costs relating to the Property and the Trust. *See* "DESCRIPTION OF THE PROPERTY – *Condition of the Property – Related Reserves*" and "ACQUISITION AND FINANCING OF THE PROPERTY – *Financing Terms – Lender Reserve Accounts*" for additional discussion. Any amounts remaining in the Reserve Accounts upon the sale of the Property will be distributed to the Investors based on their respective pro rata Interests.

Insurance. The Master Tenant has obtained all insurance required under the Loan Documents, including, without limitation, comprehensive, replacement cost casualty insurance with not less than 12 months of loss of rent coverage and personal liability and property damage insurance. The Trust is named as an additional insured or loss payee, as the case may be, on the insurance policies obtained by the Master Tenant. The Master Tenant's financial responsibility for such insurance is subject to the limitations described above with respect to Uncontrollable Expenses.

Rights and Duties of Master Tenant. The Master Tenant has the sole and exclusive right and obligation to manage, lease, operate, repair and maintain the Property during the Term. Among other things, the Master Tenant has the right to negotiate and enter into subleases (*i.e.*, the Residential Leases) of the Property, to incur costs and expenses and pay the Property operating costs and expenses from the Property cash flow or Reserve Accounts, and to enter into property and asset management agreements with third parties or affiliates. There can be no assurance that the Master Tenant will perform these duties as expected or that any failure to perform such duties will be discovered by the Trust on a timely basis.

Property Management. Concurrently with entering into the Master Lease, the Master Tenant entered into the Property Management Agreement with the Property Manager, to perform its property management obligations. Except for management fees that are incurred in connection with a construction matter involving a Capital Expense (which will be included as part of such Capital Expense and thus borne by the Trust), the Master Tenant is responsible for any management fees payable to the Property Manager.

Casualty and Condemnation. In the event of a casualty or condemnation, the Trust (or the Master Tenant on the Trust's behalf) will, to the extent permitted by law and the Loan Documents, restore the Property using the insurance proceeds or award, as applicable. If either the insurance proceeds or award, as applicable, exceeds the cost to restore the Property, then the excess will be treated as Bonus Rent and paid to the Trust.

Capitalization of Master Tenant. The Master Tenant is a newly formed Delaware limited liability company and an affiliate of the Sponsor. Capitalization of the Master Tenant is anticipated to consist of $250,000, which will be funded through the $250,000 Demand Note. A copy of the Demand Note is available in the Investor Data Room. The Sponsor's Demand Note obligations will be reduced by the amount of any net earnings the Sponsor retains in the Master Tenant. The Sponsor will be under no obligation to contribute capital to the Master Tenant other than the amount of the Demand Note.

Disposition Fee. Subject to the Loan Documents, upon the sale, transfer or other disposition of the Property, excluding a sale in foreclosure or a transfer to a Springing LLC in connection with a Transfer Distribution, the Master Tenant will be entitled to a disposition fee equal to 1.0% of the of the gross sales price of the Property (or buyer's assumed fair market value of the Property, if consideration to the Trust for the Property is not rendered in cash), in cash on the closing date of such sale, transfer or other disposition of the Property. Notwithstanding the foregoing, the Master Tenant shall not be entitled to the Disposition Fee if: (1) the gross sales price of the Property (which for the avoidance of doubt shall take into account any indebtedness assumed or paid off in connection with such sale), reduced by (2) expenditures made by the Trust to pay off or cause the purchaser of the Property to assume any indebtedness with respect to the Property, is less than $42,220,677. *See* "COMPENSATION OF THE SPONSOR AND ITS AFFILIATES – *Disposition Fee.*"

Residential Leases

Each Residential Lease entitles the applicable Resident to the personal use and occupancy of the residential unit which is the subject of the Residential Lease, as well as the use of certain common facilities on the Property, for the specified term set forth in the Residential Lease, subject to payment of recurring monthly rental obligations. Each prospective Investor should review the entire current standard form of the Residential Lease at the Property, a copy of which is available in the Investor Data Room.

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REGIONAL, LOCAL AREA AND MARKET ANALYSIS

The market information on the following pages is excerpted from the Appraisal, which was obtained by and addressed to the Lender from the Appraiser, a nationally recognized third-party appraisal firm, a copy of which is available upon request. The Appraisal was compiled using data and information obtained from various third-party services. The Appraisal, the data used to compile it, and the results that it predicts are by definition somewhat subjective and may be subject to various interpretations. Based upon the foregoing, this information may not accurately reflect or predict all information relevant to the market area or the Property. Moreover, the Appraiser has not authorized the Trust or the Sponsor or any party other than the Lender to rely on the Appraisal, and has expressly disclaimed any reliance thereon by parties for whom the Appraisal was not expressly prepared. **Neither the Trust nor the Sponsor has independently verified any of the data included in the Appraisal.** However, the Trust has revised portions of the Appraisal included in this "REGIONAL, LOCAL AREA AND MARKET ANALYSIS" section to eliminate typographical errors, to eliminate duplicative language and to conform to the definitions contained in this Memorandum.

Area Analysis - Regional

Location. The Property is located in Lansing, Ingham County, Michigan and is 1 mile south of Michigan State and McLaren Health Care's new $450 million medical campus that is slated to be finished in early 2022 and that employs over 1,000 people. Michigan State University's main campus is 3 miles northeast of the Property. The Property is 5.7 miles from Downtown Lansing. Surrounding uses to the North include Lothamer Tax Resolution followed by Red Roof Inn Lansing East, to the East include Collins Road followed by farmland, to the South include LAFCU followed by USPS, and to the West include I-496 followed by multifamily and retail.

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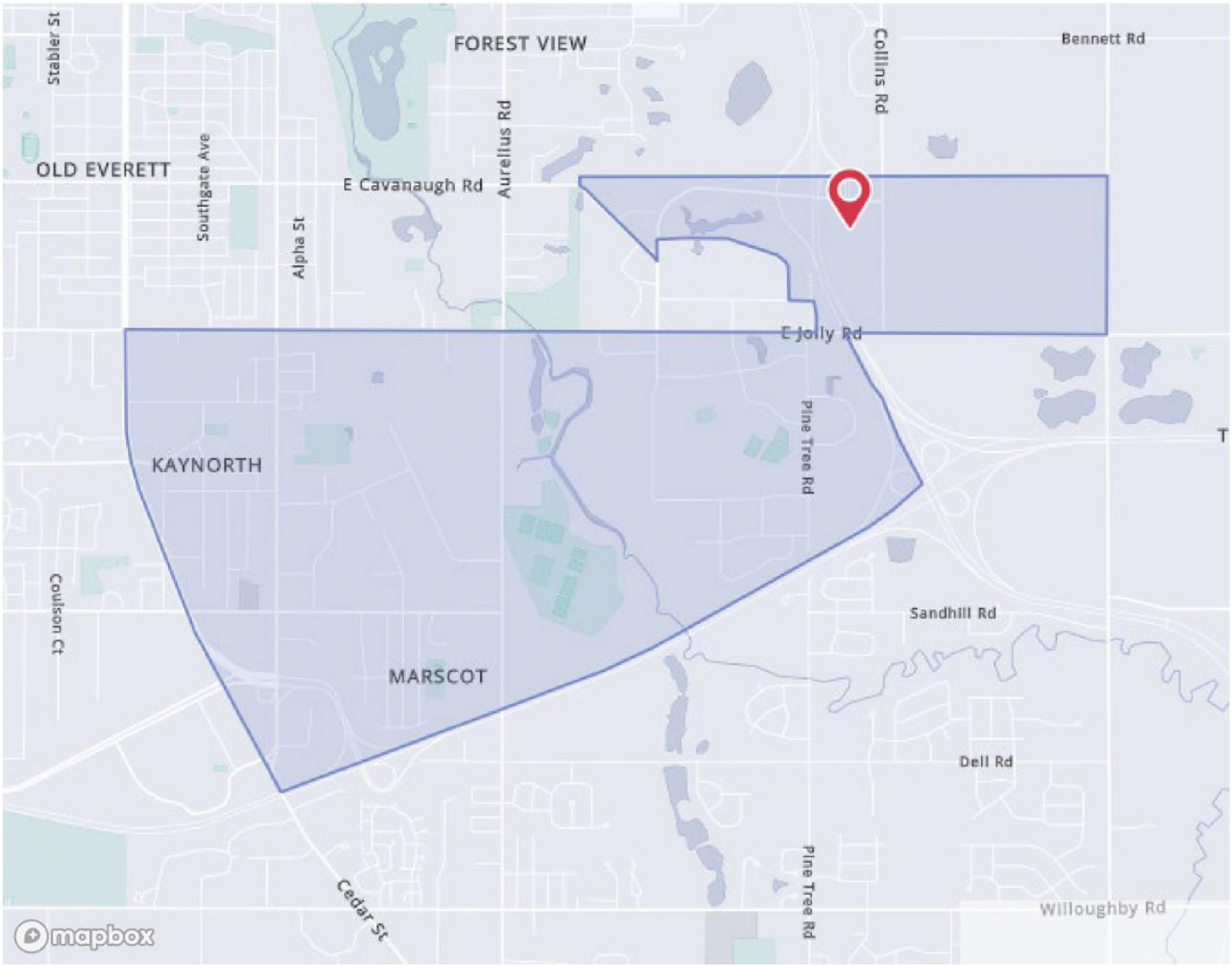
Transportation. The Amtrak runs through Lansing with a couple different stops, one being just 2 miles north of the Property. Capital Region International Airport is located 10 miles northwest of the Property.



Recent Performance.

The following information is taken from Moody's Economy.com June 2021 Summary of Lansing-East Lansing MI ("**LAN**"). Lansing-East Lansing is struggling to gain momentum. Employment has been range-bound since last summer, and the overall jobs recovery is notably wealthier than the region or the nation. The outsize public sector is holding back a stronger recovery as payrolls have failed to recoup arty of the pandemic-fueled losses. Manufacturing has faced headwinds as supply-chain issues impede production and hiring. Professional services employment has realized one of the poorest performances in any metro area in the region, with industry headcounts further away from pre-pandemic levels than most other peers Improvement in the unemployment rate has been less impressive in LAN than the region, reversing the metro area's pre-pandemic advantage. Builder interest is edging higher with single-family housing permits near the top of their recent range, but below-average household formation is limiting construction euphoria as the ratio of permits to residents is below average for the region.

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Lansing-East Lansing's economy will close the performance gap with the nation in the short term. Strong demand and supply-chain improvements will help manufacturing, while state government imparts a positive influence. Longer term, subpar demographics ensure LAN will trail national peers.

2015	2016	2017	2018	2019	2020	INDICATORS	2021	2022	2023	2024	2025	2026
23.1	23.6	23.7	24.2	24.4	23.5	Gross metro product (C12$ bil)	24.8	25.8	26.3	27.0	27.6	28.1
2.9	*2.5*	*0.5*	*1.7*	*1.0*	*-3.6*	*% change*	*5.4*	*4.0*	*1.9*	*2.7*	*2.3*	*1.9*
226.1	232.0	235.4	237.2	237.7	216.6	Total employment (ths)	217.0	223.6	227.9	230.1	230.7	231.3
1.4	*2.6*	*1.5*	*0.8*	*0.2*	*-8.9*	*% change*	*0.2*	*3.1*	*1.9*	*1.0*	*0.3*	*0.3*
4.5	4.2	4.1	3.5	3.3	7.4	Unemployment rate (%)	5.0	3.5	3.5	3.5	3.9	4.1
4.7	3.4	3.5	3.9	3.4	9.2	Personal income growth (%)	2.8	-2.4	4.2	4.2	3.8	3.7
51.6	53.9	56.4	58.4	59.1	60.5	Median household income ($ ths)	60.2	58.7	60.3	62.1	63.8	65.6
472.8	476.6	480.0	480.5	482.3	482.3	Population (ths)	482.6	483.1	483.7	483.9	483.9	483.9
0.3	*0.8*	*0.7*	*0.1*	*0.4*	*0.0*	*% change*	*0.1*	*0.1*	*0.1*	*0.0*	*0.0*	*-0.0*
0.1	2.3	2.0	-0.7	0.6	-0.7	Net migration (ths)	-0.0	-0.3	-0.2	-0.6	-0.7	-0.6
496	521	533	453	558	478	Single-family permits (#)	1,002	1,566	1,451	1,382	1,350	1,206
560	704	374	372	409	549	Multifamily permits (#)	828	1,173	921	916	930	870
142.1	148.4	158.4	168.1	174.9	182.1	FHFA house price (1995Q1=100)	191.4	194.0	197.5	201.9	206.3	209.8

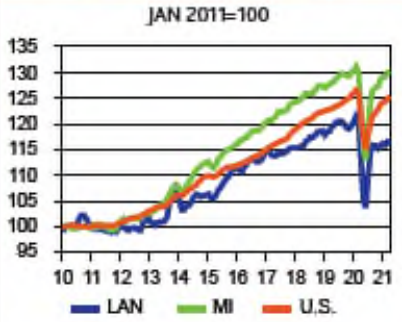
ECONOMIC HEALTH CHECK

3-MO MA	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21
Employment, change, ths	-0.7	-0.8	-0.1	0.7	0.8	0.4
Unemployment rate, %	5.9	5.7	5.5	5.3	5.5	5.5
Labor force participation rate, %	61.1	60.9	60.7	60.4	60.2	60.1
Average weekly hours, #	35.5	35.4	35.3	35.3	35.2	35.4
Industrial production, 2012=100	97.8	98.6	96.4	95.4	93.2	94.6
Residential permits, single-family, #	602	686	727	713	624	583
Residential permits, multifamily, #	521	748	808	847	694	575
Dec/Dec	**Dec 15**	**Dec 16**	**Dec 17**	**Dec 18**	**Dec 19**	**Dec 20**
Employment, change, ths	4.4	6.5	1.0	1.7	0.4	-25.6

Better than prior 3-mo MA | Unchanged from prior 3-mo MA | Worse than prior 3-mo MA

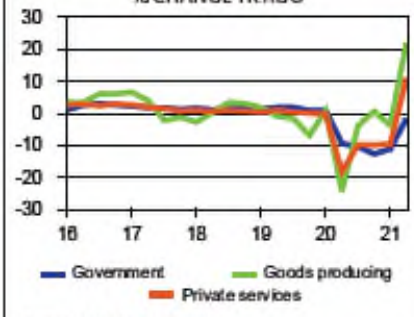
Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS



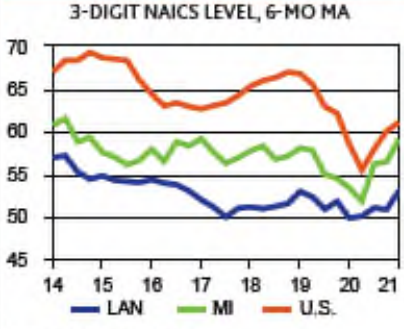
Sources: BLS, Moody's Analytics

% CHANGE YR AGO, 3-MO MA

	May 20	Nov 20	May 21
Total	-13.1	-9.2	3.9
Mining	-17.8	-9.8	14.9
Construction	-16.5	-1.1	22.2
Manufacturing	-24.5	0.9	19.0
Trade	-14.3	-7.1	8.5
Trans/Utilities	-9.6	-4.9	7.9
Information	4.3	2.9	4.9
Financial Activities	0.8	-1.4	0.7
Prof & Business Svcs.	-15.2	-9.1	-0.9
Edu & Health Svcs.	-9.3	-6.4	3.1
Leisure & Hospitality	-39.7	-28.0	16.9
Other Services	-17.1	-11.5	6.0
Government	-6.9	-13.2	-4.5

Sources: BLS, Moody's Analytics

DIFFUSION INDEX



Sources: BLS, Moody's Analytics

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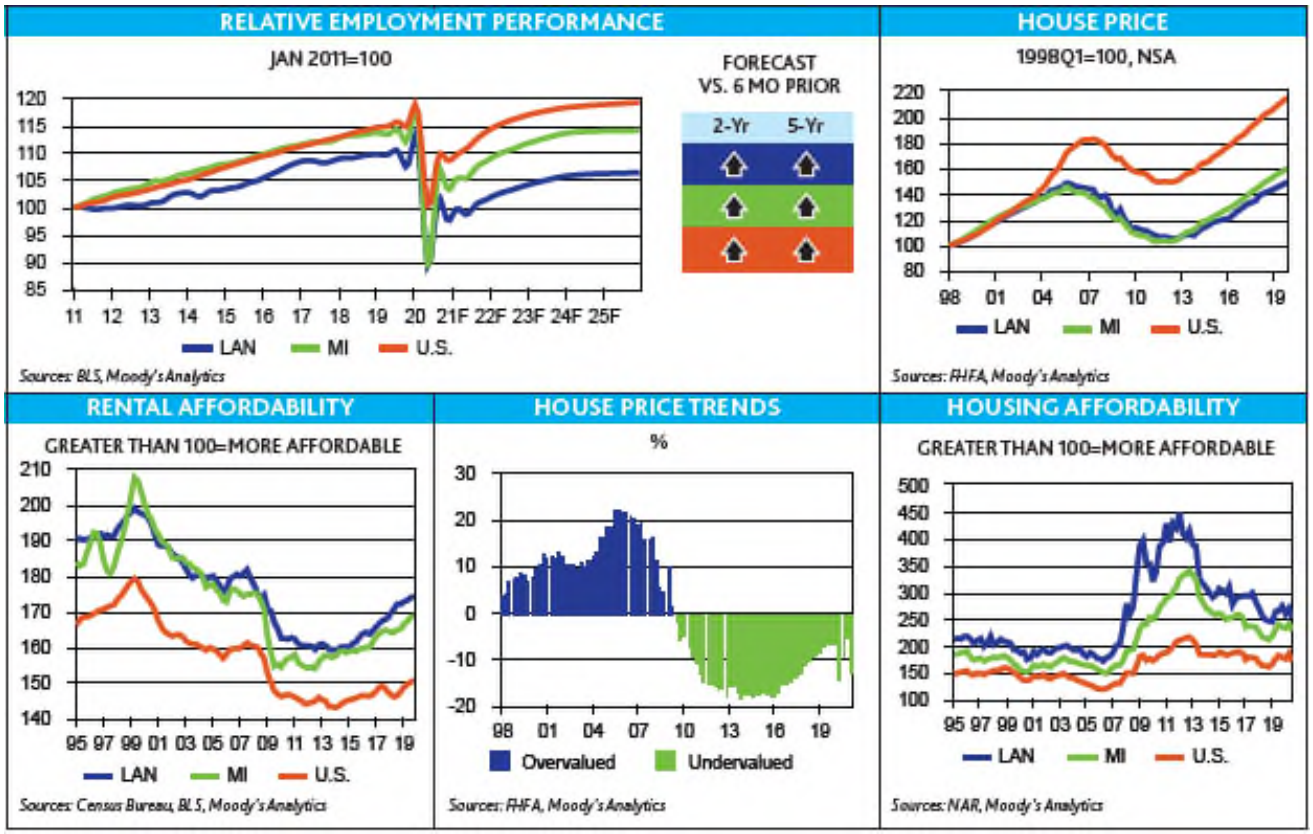

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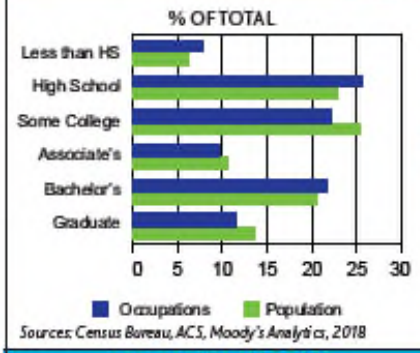
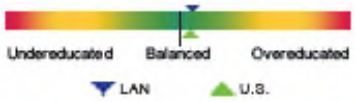
SKILLS MISMATCH





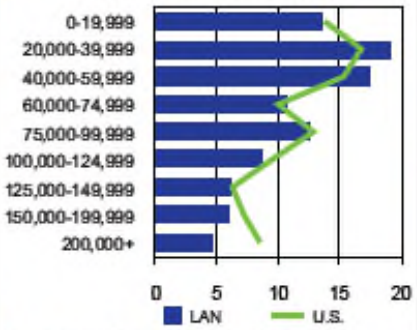
Sources: Census Bureau, ACS, Moody's Analytics, 2018

ECONOMIC DISENFRANCHISEMENT

Index	2018	Rank*
Gini coefficient	0.46	231
Palma ratio	2.8	332
Poverty rate	14.5%	169

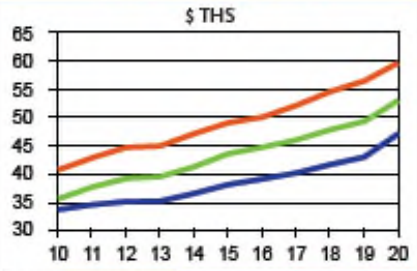
*Most unequal=1; Most equal=403

HOUSEHOLDS BY INCOME, %



Sources: Census Bureau, ACS, Moody's Analytics, 2019

PER CAPITA INCOME



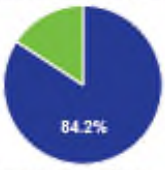
2020	LAN $47,047	MI $52,987	U.S. $59,729

Sources: BEA, Moody's Analytics

COMMUTER FLOWS

RESIDENTS WHO WORK IN LAN

WORKERS WHO LIVE IN LAN



Top Outside Sources of Jobs

Lansing MI	Share
Warren MI	1.8
Jackson MI	1.6
Grand Rapids MI	1.0
Battle Creek MI	0.9
Ann Arbor MI	0.7

Top Outside Sources of Workers

Lansing MI	Share
Warren MI	2.6
Grand Rapids MI	1.6
Jackson MI	1.4
Flint MI	0.9
Battle Creek MI	0.6

Sources: Census Bureau, Moody's Analytics, avg 2011-2015

MIGRATION FLOWS

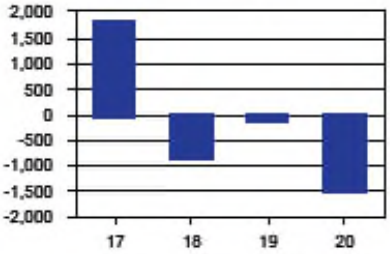
INTO LANSING MI

	Number of Migrants
Warren MI	1,677
Grand Rapids MI	1,064
Jackson MI	676
Detroit MI	620
Battle Creek MI	380
Flint MI	379
Ann Arbor MI	267
Saginaw MI	207
Kalamazoo MI	185
Chicago IL	153
Total in-migration	*14,587*

FROM LANSING MI

Warren MI	1,377
Grand Rapids MI	1,318
Detroit MI	692
Jackson MI	663
Battle Creek MI	367
Ann Arbor MI	325
Flint MI	320
Kalamazoo MI	234
Chicago IL	201
Phoenix AZ	134
Total out-migration	*15,858*
Net migration	-1,271

NET MIGRATION, #

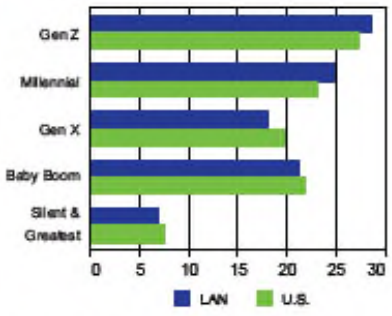


	2017	2018	2019	2020
Domestic	-216	-2,165	-895	-2,144
Foreign	1,997	1,327	814	692
Total	1,781	-838	-81	-1,452

Sources: IRS (top), 2018, Census Bureau, Moody's Analytics

GENERATIONAL BREAKDOWN

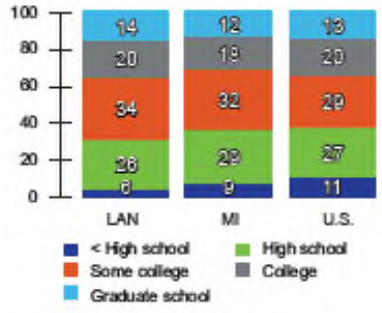
POPULATION BY GENERATION, %



Sources: Census Bureau, Moody's Analytics, 2019

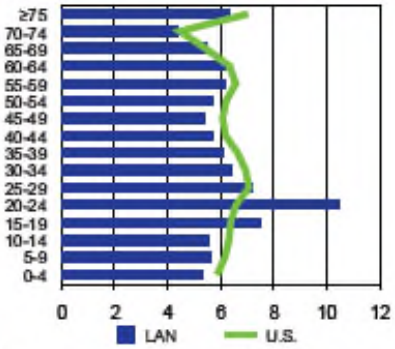
EDUCATIONAL ATTAINMENT

% OF ADULTS 25 AND OLDER



Sources: Census Bureau, ACS, Moody's Analytics, 2019

POPULATION BY AGE, %



Sources: Census Bureau, Moody's Analytics, 2020

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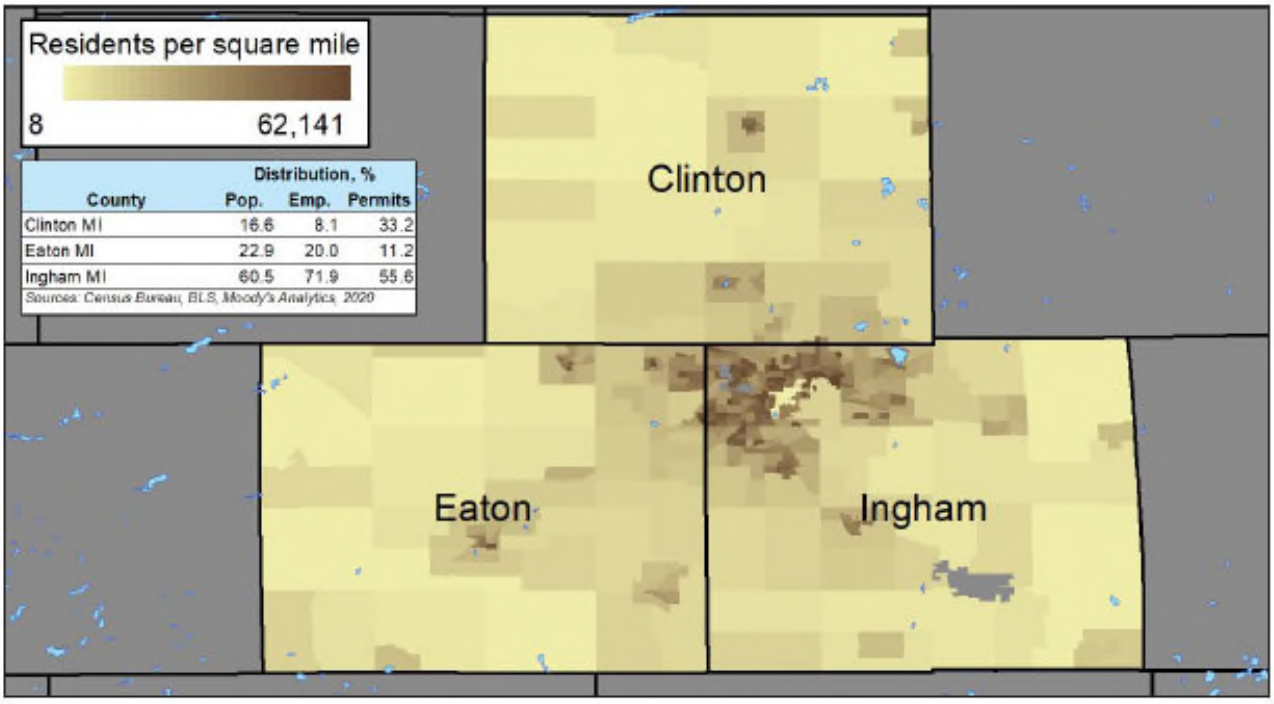
GEOGRAPHIC PROFILE

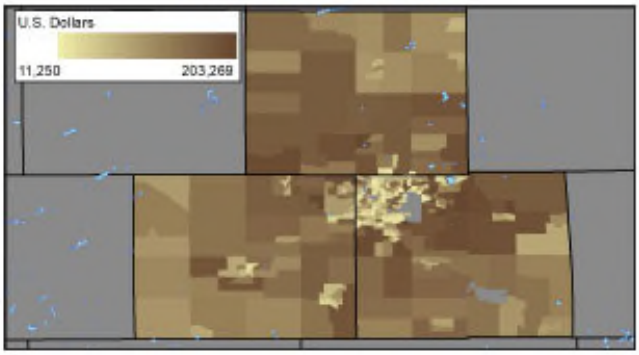
POPULATION DENSITY



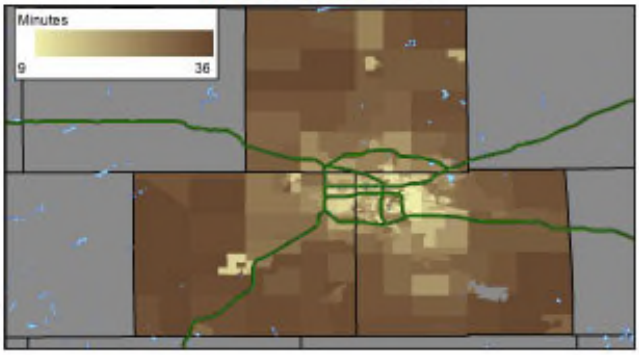
County	Distribution, % Pop.	Emp.	Permits
Clinton MI	16.6	8.1	33.2
Eaton MI	22.9	20.0	11.2
Ingham MI	60.5	71.9	55.6

Sources: Census Bureau, BLS, Moody's Analytics, 2020

MEDIAN HOUSEHOLD INCOME



AVERAGE COMMUTE TIME



POPULATION & HOUSING CHARACTERISTICS

	Units	Value	Rank*
Total area	sq mi	1,714.7	210
Total water area	sq mi	17.0	289
Total land area	sq mi	1,697.7	194
Land area - developable	sq mi	1,633.3	73
Land area - undevelopable	sq mi	64.4	310
Population density	pop. to developable land	292.1	250
Total population	ths	480.5	131
U.S. citizen at birth	% of population	92.3	195
Naturalized U.S. citizen	% of population	3.2	187
Not a U.S. citizen	% of population	3.8	181
Median age		36.8	285
Total housing units	ths	234.6	120
Owner occupied	% of total	62.0	97
Renter occupied	% of total	30.1	192
Vacant	% of total	8.0	295
1-unit; detached	% of total	67.3	183
1-unit; attached	% of total	4.5	165
Multifamily	% of total	24.3	135
Median year built		1972	

** Areas & pop. density, out of 410 metro areas/divisions, including metros in Puerto Rico; all others, out of 403 metros.*

Sources: Census Bureau, Moody's Analytics, 2019 except land area 2010

Sources: ACS, Moody's Analytics

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Demographics and Population. The following information reflects the demographics for the Property area.

LOCAL AREA & MSA DEMOGRAPHICS

DESCRIPTION	1 MILE	3 MILE	5 MILE	MSA	DESCRIPTION	1 MILE	3 MILE	5 MILE	MSA
POPULATION TOTAL					HOUSEHOLDS				
2000 Census	2,956	55,177	179,783	166,232	2000 Census	1,720	18,933	69,908	63,957
2010 Census	3,602	56,520	179,258	162,979	2010 Census	1,821	18,682	70,386	63269
2021 Estimate	3,908	58,932	185,756	165,795	2021 Estimate	1,921	19,964	73,975	65,220
2026 Projection	4,59	61,329	190,931	169,085	2026 Projection	2,204	20,999	76,400	66,81[7]
△ 2000-2010	21.85%	2.43%	(0.29%)	(1.96%)	△ 2000-2013	5.87%	(1.33%)	0.68%	(1.08%)
△ 2010-2021	8.50%	4.27%	3.62%	1.73%	△ 2010-2021	5.49%	6.86%	5.10%	3.08%
△ 2021-2026	14.10%	4.07%	2.79%	1.98%	△ 2021-2025	14.73%	5.18%	328%	245%
Total Daytime Population	4,621	32,664	99,714	91,553	**HOUSEHOLDS BY INCOME (2021 ESTIMATE)**				
HOUSING UNITS					<$15,000	15.1%	14.6%	14.5%	163%
Total (2021 Estimate)	2,130	22,039	81,146	72,509	$15,000 - 524,999	12.4%	12.0%	11.3%	12.7%
Owner Occupied	6.9%	46.0%	48.3%	45.3%	$25,000 - 334,999	18.1%	12.7%	11.4%	13.0%
Renter Occupied	833%	44.6%	42.8%	44.6%	$35,000 - $49,999	20.0%	15.0%	13.5%	14.8%
Vacant Housing Units	9.8%	94%	8.8%	10.1%	$50,000 - $74,999	18.0%	18.0%	17.1%	1 *7 2%*
Total (2026 Projection)	2,373	23,008	83,535	74,124	$75,000 - $99,999	8.8%	10.6%	11.0%	10.8%
Owner Occupied	6.4%	45.8%	48.5%	45.6%	$100,000 - $149,999	5.8%	10.6%	12.3%	9.7%
Renter Occupied	86.5%	45.4%	42.9%	44.5%	$150,000 - $199,999	0.9%	3.9%	4.5%	2.9%
Vacant Housing Units	7.1%	8.7%	8.5%	9.9%	$200,000+	0.8%	2.6%	4.3%	2.5%
AVERAGE HOUSEHOLD INCOME					**AVERAGE HOUSEHOLD SIZE**				
2021 Estimate.	$47,127	$61,621	$69,475	$38,779	2021 Estimate. Estimate	2.03	2.33	2 29	2.30
2026 Projection	$52,576	$70,215	$78,226	$65,965	2026 Projection Projection	2.02	233	2.29	2.29
△ 2021-2026	11.56%	13.95%	12.60%	12.23%	△ 2021-2026	(0.49%)	0.00%	0.00%	(0.43%)
MEDIAN HOUSEHOLD INCOME					**MEDIAN HOME VALUE**				
2021 Estimate	$37,360	$44,687	$48899	$41,861	2021 Estimate	$133,333	$119,313	$146,385	$112,869
2026 Projection Projection	$40,259	$50,619	$53820	$46,587	2026 Projection	$153,279	$146,096	$179,620	$141,257
△ 2021-2026	7.76%	13.27%	10.06%	11.29%	△ 2021-2026	14.96%	22.45%	22.70%	25.15%
PER CAPITA INCOME					**AVERAGE HOME VALUE**				
2021 Estimate	$22,422	$22,124	$28,066	$23,585	2021 Estimate	$160/64	$161,358	$183,714	$148,231
2026 Projection	$25,233	$25,324	$31,689	$26,523	2026 Projection	$204,667	$200,505	$219,649	$189,546
△ 2021-2026	12.54%	14.46%	12.91%	12.46%	△ 2021-2026	27.31%	24.26%	19.56%	27.87%

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EMPLOYMENT AND INDUSTRY

TOP EMPLOYERS

Michigan State University	12,781
Liberty National Life Insurance	10,000
Sparrow Health System	7,600
General Motors Corp.	4,549
Auto Owners Insurance	3,700
Lansing Community College	3,144
McLaren Health	3,000
Peckham Inc.	2,510
Jackson National Life Insurance Co.	2,400
John Henry Co.	2,100
Dart Container Corp.	2,000
Meijer Distribution Center	1,500
Community Health Department	1,400
Walmart Inc.	1,185
Demmer Corp.	1,110
Delta Dental	800
Dean Transportation	800
Quality Dairy	730
Spartan Motors	730
Lansing Board of Water & Light	715

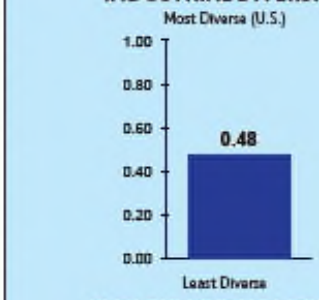
Sources: City of East Lansing, 2017, Lansing Economic Area Partnership, 2018, Lansing Michigan's Capital City, 2017

PUBLIC

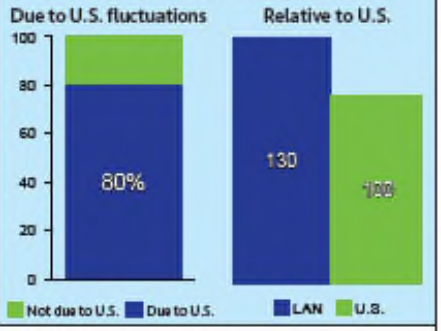
Federal	2,032
State	41,927
Local	17,761

2020

INDUSTRIAL DIVERSITY

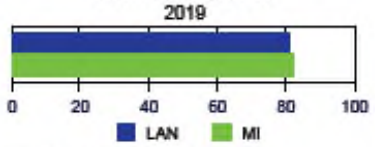


EMPLOYMENT VOLATILITY



ENTREPRENEURSHIP

BROAD-BASED START-UP RATE
U.S.=100, 4-QTR MA



Sources: Census Bureau, Moody's Analytics

EXPORTS

Product	$ mil
Food and kindred products	ND
Chemicals	85.0
Primary metal manufacturing	ND
Fabricated metal products	ND
Machinery, except electrical	101.6
Computer and electronic products	ND
Transportation equipment	620.5
Miscellaneous manufacturing	ND
Other products	182.6
Total	1,136.1

Destination	$ mil
Africa	3.6
Asia	180.9
European Union	89.6
Canada & Mexico	776.1
South America	43.7
Rest of world	42.2
Total	1,136.1
% of GDP	*4.1*
Rank among all metro areas	*204*

Sources: BEA, International Trade Administration, Moody's Analytics, 2019

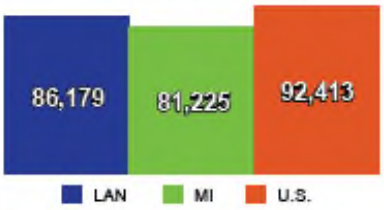
COMPARATIVE EMPLOYMENT AND INCOME

	% OF TOTAL EMPLOYMENT			AVERAGE ANNUAL EARNINGS		
Sector	LAN	MI	U.S.	LAN	MI	U.S.
Mining	0.1	0.1	0.4	nd	$62,466	$152,860
Construction	3.4	4.1	5.1	$65,726	$67,708	$71,226
Manufacturing	8.2	13.8	8.6	$84,199	$84,539	$87,452
Durable	*71.2*	*74.8*	*62.2*	*nd*	*$86,724*	*$90,347*
Nondurable	*28.8*	*25.2*	*37.8*	*nd*	*$77,972*	*$82,632*
Transportation/Utilities	3.7	3.9	4.3	nd	$66,833	$65,743
Wholesale Trade	2.7	4.0	4.0	nd	$91,234	$92,590
Retail Trade	9.1	10.6	10.4	$32,670	$34,967	$38,405
Information	1.4	1.2	1.9	$69,070	$80,084	$136,729
Financial Activities	8.0	5.5	6.1	$46,275	$45,941	$59,335
Prof. and Bus. Services	10.1	14.8	14.2	nd	$70,073	$76,266
Educ. and Health Services	14.2	15.8	16.3	$56,735	$56,931	$59,504
Leisure and Hosp. Services	6.4	8.0	9.4	$21,208	$25,261	$31,046
Other Services	4.1	3.6	3.8	$42,159	$36,513	$39,932
Government	28.5	14.4	15.4	$77,858	$73,759	$83,178

Sources: Percent of total employment — BLS, Moody's Analytics, 2020, Average annual earnings — BEA, Moody's Analytics, 2019

PRODUCTIVITY

REAL OUTPUT PER WORKER, $



Sources: BEA, Moody's Analytics, 2019

BUSINESS COSTS

Source: Moody's Analytics

HIGH-TECH EMPLOYMENT

	Ths	% of total
LAN	7.1	3.3
U.S.	7,540.4	5.3

HOUSING-RELATED EMPLOYMENT

	Ths	% of total
LAN	17.6	8.1
U.S.	14,373.7	10.1

Source: Moody's Analytics, 2020

LEADING INDUSTRIES BY WAGE TIER

	NAICS	Industry	Location Quotient	Employees (ths)
HIGH	3361	Motor vehicle manufacturing	10.8	3.5
	3363	Motor vehicle parts manufacturing	3.5	3.1
	9139	Business, profess., labor, political and similar	4.1	3.0
	5511	Management of companies and enterprises	0.7	2.5
MID	GVS	State Government	5.4	43.2
	GVL	Local Government	0.8	18.4
	6221	General medical and surgical hospitals	1.2	8.7
	5241	Insurance carriers	2.7	6.3
LOW	7225	Restaurants and other eating places	0.9	14.0
	5613	Employment services	1.0	5.6
	6241	Individual and family services	1.3	4.3
	FR	Farms	1.0	4.0

Source: Moody's Analytics, 2020

Employment. The table below shows top employers in the area:

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Summary. The Property's neighborhood is in a suburban location influenced by its proximity to transportation infrastructure, retail support uses, and employment centers. The area has moderate physical barriers to entry. Opportunities within the neighborhood, include the growing population in recent years, increasing income trends as well as an established and growing shopping districts. Threats in the neighborhood include an aging housing stock and a forecast modest decline in population going forward. The condition and appeal of properties is generally good. On balance, demand for properties in this area is expected to grow in the foreseeable future. Property values are expected to appreciate in the local area over the holding period.

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Market Analysis

The market analysis discusses data surrounding the status of the apartment market in terms of supply, absorption, vacancy, rental rates, and new construction pipeline, which forms a basis for indications of financial feasibility and the subject's competitive position within the marketplace. The following analysis includes supply/demand trends in the greater apartment market and submarket.

This section contains information from Costar our primary research as well as secondary research of data sources including Yardi Matrix, Real Capital Analytics, REIS Reports, and CoStar, Inc; each of these are accepted industry standard resources.

The subject property is located in Lansing and Forest View submarket as defined by Costar and is considered to be a Class A. The map illustrates the boundaries of the market and submarkets where applicable.

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Lansing Market Overview

In this section, market conditions which influence the subject property are analyzed. An overview of Apartment supply and demand conditions for the Lansing market and Forest View submarket are presented. Key supply and demand statistics for the most recent quarter, last year and historical averages over the past 10 years are summarized in the tables below.

APARTMENT MARKET AND SUBMARKET DATA SUMMARY (10 YEARS)

		INVENTORY SUPPLY (UNITS)		VACANCY (%)	
QTR	YEAR	MARKET	SUBMARKET	MARKET	SUBMARKET
Q3	2021	43,926	1,959	4.7%	5.5%
Q2	2021	43,896	1,959	5.7%	8.7%
Q1	2021	43,412	1,959	5.5%	13.9%
Q4	2020	43,412	1,959	5.9%	16.5%
	2020	43,412	1,670	5.9%	7.5%
	2019	42,533	1,670	5.5%	9.1%
	2018	42,402	1,670	6.1%	10.0%
	2017	41,585	1,670	5.5%	6.9%
	2016	41,438	1,670	5.4%	7.6%
	2015	41,232	1,670	5.9%	5.0%
	2014	41,117	1,670	6.3%	4.0%
	2013	40,627	1,670	5.8%	4.5%
	2012	40,641	1,670	6.4%	7.0%
	2011	40,566	1,670	6.9%	7.1%
		RENT $/UNIT/MONTH		NET ABSORPTION (UNITS)	
QTR	YEAR	MARKET	SUBMARKET	MARKET	SUBMARKET
Q3	2021	$977.00	$1,104.00	441	64
Q2	2021	$962.00	$1,047.00	395	101
Q1	2021	$938.00	$970.00	156	52
Q4	2020	$919.00	$923.00	107	(2)
	2020	$919.00	$951.00	664	117
	2019	$896.00	$958.00	391	15
	2018	$881.00	$936.00	516	(52)
	2017	$855.00	$909.00	88	10
	2016	$834.00	$881.00	404	(43)
	2015	$811.00	$865.00	277	(16)
	2014	$786.00	$849.00	279	9
	2013	$775.00	$840.00	225	42
	2012	$764.00	$821.00	261	0
	2011	$756.00	$824.00	246	12

Source: CoStar Property®

The Lansing Apartment Market & Forest View Apartment submarket have both demonstrated positive conditions with total inventory supply rising 514 and 289 units respectively. The submarket comprises 4.5% of the total market inventory. Net absorption was positive for the last year. As the data above shows, market conditions have improved over the past few years.

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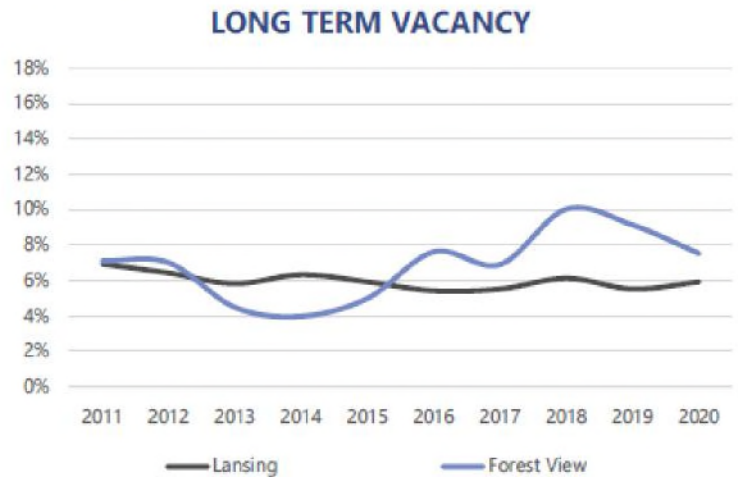
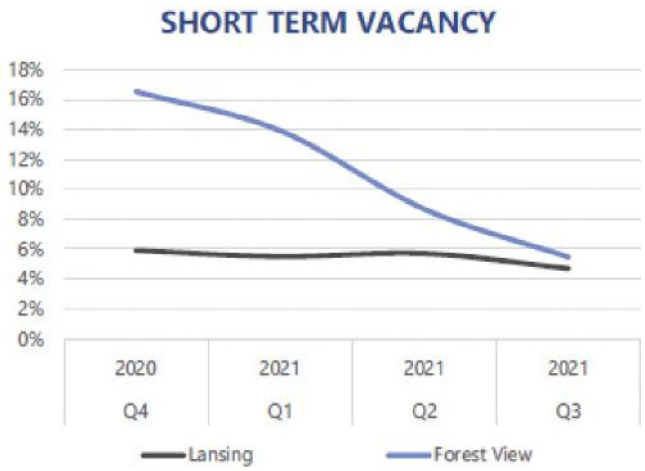
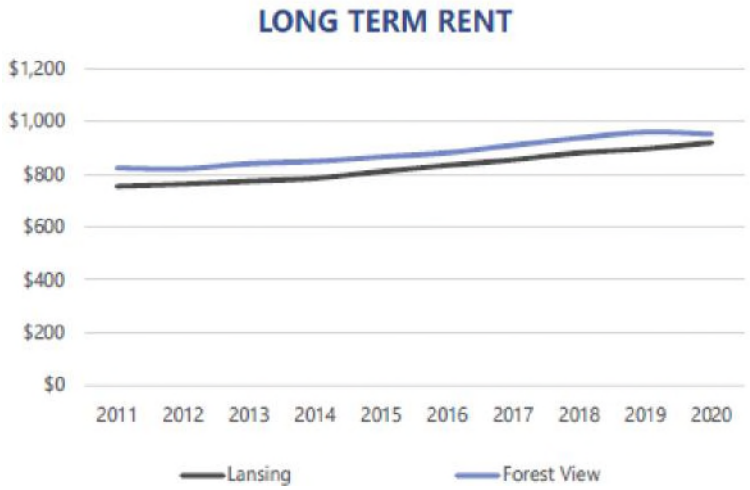
VACANCY





As the data above shows, vacancy has continued to decrease overall with market vacancy at 4.7% and submarket vacancy at 5.5%. The 5-year average vacancy rate is 5.5% in the market and 7.8% in the submarket. These low vacancy rates will eventually lead to new development.

RENTAL RATES



As the data above shows, asking rents have been rising with current levels at $977.00 per SF in the market and $1,104.00 per NRA in the submarket. Market rent levels over the past year have changed 6.3% in the market and 16.1% in the submarket while over the past 5-years has changed 17.1% in the market and 25.3% in the submarket.

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MARKET RENT & VACANCY

DELIVERIES

DELIVERIES (UNITS)

QTR	YEAR	MARKET	% OF TOTAL	SUBMARKET	% OF TOTAL
Q3	2021	0	0.0%	0	0.0%
Q2	2021	484	1.1%	0	0.0%
Q1	2021	0	0.0%	0	0.0%
Q4	2020	40	0.1%	0	0.0%
	2020	879	2.0%	289	17.3%
	2019	131	0.3%	0	0.0%
	2018	817	1.9%	0	0.0%
	2017	311	0.7%	0	0.0%
	2016	229	0.6%	0	0.0%

UNDER CONSTRUCTION (UNITS)

QTR	YEAR	MARKET	BUILDINGS	SUBMARKET	BUILDINGS
Q3	2021	529	0	0	0
Q3	2020	1,336	2	289	0
Q3	2019	854	0	289	0
Q3	2018	878	1	0	0
Q3	2017	769	0	0	0

The Lansing market has delivered 524 units in 2021. Over the 15 year hold period, rents have consistently appreciated while vacancy rates have declined. The outlook for both the market and submarket remains positive.

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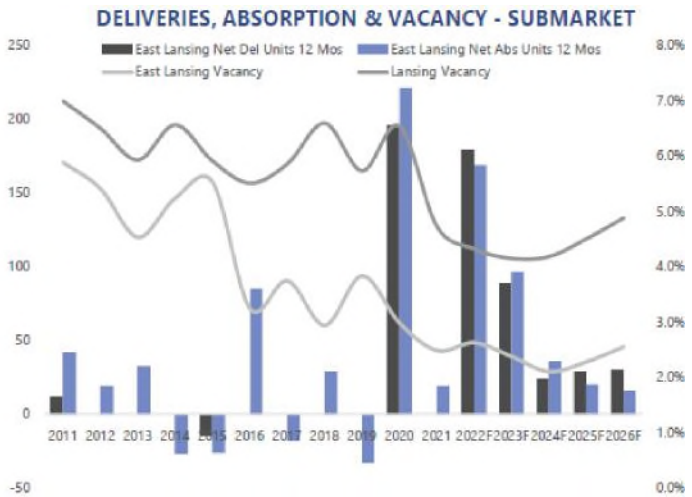

Lansing Apartment Market and Forest View Submarket Conclusion

The Lansing Market and Forest View Submarket are largely supported by Michigan State University. The subject's 2021 vintage and class A status in a largely older, class C, apartment market, allows the subject achieve much higher rents than the market average. The Lansing apartment market and the subject's Forest View Submarket have maintained relatively low vacancy rates and stable to rising rents in recent quarters, despite the COVID-19 pandemic. Both the market and submarket posted healthy rent growth during second quarter 2021. The overall outlook for the market and submarket is stable and property values are expected to increase during the holding period.

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ACQUISITION AND FINANCING OF THE PROPERTY

Acquisition Terms

The Trust acquired the Property from the Seller, an unaffiliated third party, for a purchase price of $74,000,000. The Trust funded the acquisition of the Property with (1) cash, provided as a capital contribution from the Depositor, and (2) the proceeds of the Loan from the Lender.

Pursuant to the Appraisal, the fair market value of the Property is $74,400,000. The Maximum Offering Amount, $41,798,470, represents the Offering Property Value, less the Loan proceeds, plus closing costs and related transactional costs, a structuring fee, financing fee and loan processing fee to the Sponsor, reserves and the Selling Expenses and Offering Expenses, all multiplied by the 99% of Interests that are being sold in this Offering.

TIF Agreement Terms

The Property is benefited by the Reimbursement Agreement and the Agreement for Development Incentives comprising the TIF Agreements described above. The TIF Agreements were procured by the original developer of the Project described therein. The Authority approved the assignment to the Trust (and the assumption by the Trust) of the rights and obligations of Seller under the Reimbursement Agreement, and confirmed that the Authority has approved an amount of no less than $5,221,280 in principal for Eligible Activities (as defined in the Reimbursement Agreement) plus interest calculated at 3% with the total of Eligible Costs (as defined in the Reimbursement Agreement) anticipated to equal approximately $6,650,727 which shall be subject to reimbursement under the Reimbursement Agreement over the life of the Reimbursement Agreement subject to the terms and conditions in the TIF Agreements. Subject to the Trust's compliance with the TIF Agreements, the Trust may receive reimbursement of Eligible Costs which have been approved by the Authority as directed by the Brownfield Plan. Under the Agreement for Development Incentives, the Trust may be required to comply with, among others, the following requirements:

(1) Notify the LEDC and City Assessor of any and all partnership changes during the term of any incentives approved for the Property;

(2) Consider and hire as many Lansing residents and Lansing-based firms, including but not limited to consultants, suppliers, contractors and sub-contractors, as reasonably possible, and provide written documentation at the request of the LEDC;

(3) Make good faith efforts to hire contractors and subcontractors that employ union labor when economically feasible, and provide written documentation at the request of the LEDC;

(4) All employees, contractors and sub-contractors related to the Project (as defined in the Agreement for Development Incentives) will pay all City individual income tax;

(5) Report annually to the City Treasurer all gross individual income taxes paid and current residential addresses of all employees;

(6) All contractors and sub-contractors will report annually to the City Treasurer all gross individual income taxes paid and current residential addresses for all employees; and

(7) The Project is expected to hire at least five (5) and/or retain at least five (5) new full-time employees.

The Authority may, but is not obligated, to reimburse Eligible Activities conducted after June 30, 2021, other than reimbursement for Public Improvements (as defined in the Reimbursement Agreement). The sole source for any reimbursement is the property tax revenues that are generated from an increase in the Property's taxable value due to the Improvements under the Reimbursement Agreement (the "**Tax Increment Revenues**") as described in the Brownfield Plan. The Authority's reimbursement obligation under the Reimbursement Agreement expires upon the earlier of (i) expiration of the Brownfield Plan obligation, or (ii) payment by the Authority of all approved amounts

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due under the Reimbursement Agreement, or (iii) payment by the Authority of all approved amounts due from Tax Increment Revenues captured from the Property prior to January 1, 2041. The Authority has no obligation to make a reimbursement if the Trust is in default of the Agreement for Development Incentives. If any property tax applicable to the Property is not paid within the time period permitted by law for payment without penalty during the life of the incentive, the City may place a lien on the real property, which lien is enforceable in the same manner as provided by law for the foreclosure in the circuit courts of mortgage liens upon real property, in accordance with Michigan law.

The Trust must pay to the Authority annual administration fees and payments for deposit into the Local Brownfield Revolving Fund as described in the Reimbursement Agreement. It is anticipated that there will be sufficient available Tax Increment Revenues to pay for all Eligible Costs under this Agreement. However, if for any reason increased Tax Increment Revenues from the Property do not result in sufficient revenues to satisfy such obligations, the Trust will have no recourse and shall assume full responsibility for any such loss or costs. Copies of the TIF Agreements and Post Construction Plan for Compliance are available upon request.

Financing Terms

The Loan is evidenced and secured by the Loan Documents, copies of which are available in the Investor Data Room..

THE FOLLOWING IS A SUMMARY OF SOME OF THE SIGNIFICANT PROVISIONS OF THE LOAN DOCUMENTS, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL LOAN DOCUMENTS. EACH PROSPECTIVE INVESTOR SHOULD CAREFULLY REVIEW THE FULL TEXT OF THE LOAN DOCUMENTS BEFORE PURCHASING AN INTEREST, COPIES OF WHICH ARE AVAILABLE IN THE INVESTOR DATA ROOM.

See "RISK FACTORS – *Risks Related to the Financing*" for additional discussion.

Basic Terms.

The original principal amount of the Loan is $43,878,000. The Loan has a term of 10 years and will bear interest at a fixed rate of 3.31%.

Beginning with the payment date of February 1, 2022 and on each monthly payment date thereafter, the Trust will be required to make monthly, interest-only payments. On the Maturity Date, the Trust will be required to pay to the Lender the entire principal amount of the Loan, along with any accrued but unpaid interest.

Prepayment.

The Loan may be prepaid in whole (but not in part) at any time during the term of the Loan, subject to a yield maintenance prepayment premium. The prepayment premium is equal to the "Prepayment Premium" as defined and calculated in accordance with a formula set forth in the Loan Documents; provided, however, if the prepayment is made (a) on or after approximately June, 2031 but before September 30, 2031, the prepayment premium will be 1% of the amount of principal being prepaid, or (b) on or after approximately September 30, 2031, no prepayment premium will be due.

See "RISK FACTORS – *Risks Related to the Financing – The prepayment and defeasance provisions of the Loan Documents may negatively affect the Trust's exit strategy*" for additional discussion.

Covenants, Representations and Warranties.

The Loan Documents contain customary covenants, representations and warranties. Specifically, the Loan Documents require the Trust to obtain the Lender's prior written approval before the Trust or the Master Tenant, as applicable, can take various actions, including, without limitation, making certain modifications to the Property, modifying or terminating the Master Lease or the Property Management Agreement or entering into any replacement property management agreement, in each case except as otherwise set forth in the Loan Documents.

Further, the Loan Documents prohibit the Trust, without the Lender's prior written consent and except as otherwise set forth in the Loan Documents, from doing the following: (1) selling, conveying, assigning, mortgaging,

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granting, pledging, granting options with respect to, transferring or otherwise disposing of its interests in the Property or any part thereof; (2) incurring indebtedness (other than the indebtedness permitted pursuant to the terms of the Loan); or (3) mortgaging, hypothecating or otherwise encumbering or granting a security interest in the Property or any part thereof.

Upon any uncured event of default under the Loan Agreement, the Lender will have the right, at its option, to exercise any of the rights and remedies available to it under the Loan Documents, at law or in equity, without notice or demand, including declaring the entire indebtedness immediately due and payable. See "RISK FACTORS – *Risks Related to the Financing – The Loan Documents contain various restrictive covenants, and if the Trust fails to satisfy or violates these covenants, the Lender may declare the Loan in default*" for additional discussion.

Nonrecourse Loan. The Loan is secured by the Property. The Trust is responsible for repayment of the Loan. The Loan is nonrecourse to the Investors. Accordingly, the Investors will have no personal liability in connection with the Loan. However, upon an uncured event of default under the Loan, the Lender will have the right to foreclose on the Property. If this were to occur, the Investors would be likely to lose their entire investment in the Trust. *See* "RISK FACTORS – *Risks Related to the Financing*" for additional discussion.

Restrictions on Transfer of Interests. The Loan Documents contain limited restrictions on the transfer of the Interests. The Loan Documents permit the Trust and the Investors to sell Interests so long as certain requirements are satisfied including the following: (1) there are no more than 499 holders of direct or indirect beneficial interests in the Trust at any given time; (2) following the transfer, control and management of the day-to-day operations of the Trust continue to be held by the party exercising such control and management immediately prior to the transfer and there is no change in the Non-Recourse Carve-Out Guarantor, if applicable; (3) in the event a single transferee acquires and holds more than 25% of direct or indirect beneficial interests in the Trust, the transferee complies with certain identification procedures and searches required by or under the Office of Foreign Assets Control or federal anti-money laundering laws and regulations, (4) following such transfer, Neil Gehani continues to own a direct or indirect interest in the Trust, and (5) following such transfer, Guarantor, if applicable, and Trust continue to be under common Control with the Sponsor. After the termination of this Offering, certain additional requirements set forth in the Loan Documents apply in the event of a transfer of 25% or more of direct or indirect beneficial interests in the Trust.

The Trust will be required to deliver to the Lender an additional insolvency opinion if, after giving effect to any such transfer, more than 49% of the aggregate direct or indirect interests in the Trust are owned by any person and its affiliates that previously owned less than 49% of such direct or indirect interests in the Trust.

Securitization. The Lender has the right to, at any time, sell, transfer or assign the Note, the other Loan Documents and any or all servicing rights with respect thereto, or grant participations therein or issue mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement (each, as designated by the Lender, a "**Securitization Transaction**"). The Lender may forward to each purchaser, transferee, assignee, servicer, participant, investor in such Securitization Transaction or any rating agency rating such Securitization Transaction and each prospective party and the advisor of each such party, all documents and information that the Lender now has or may acquire relating to the Loan, the Trust and the Property, whether furnished by the Trust or otherwise, as the Lender determines necessary or desirable. The Trust, in entering into the Loan Documents, agreed to cooperate with the Lender and use reasonable efforts to facilitate the consummation of any Securitization Transaction.

Replacement Reserve Account. The Lender has required the Trust to establish the Replacement Reserve Account. At the closing of the Loan, the Trust deposited $86,700 from the proceeds of the Loan into the Replacement Reserve Account as replacement reserves for the Property. Commencing on January 1, 2022, the Lender will require monthly deposits into the Replacement Reserve Account of $3,613, which will be funded by the Master Tenant as part of its obligation to pay Rent to the Trust.

Tax and Insurance Reserve Account. The Trust will establish a Tax and Insurance Escrow Account in a total of $482,431, $103,974 of which is funding for insurance premiums, and $378,457 of which is funding for real estate taxes (and 99% of which will be reimbursed out of the proceeds of the Offering) from the Offering into a Trust-controlled reserve account related to future real estate taxes and insurance premiums owed with respect to the Property.

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TIF Reserve Account. The Trust, at the closing of the Property, deposited a total of $424,522 funded by the Depositor (and 99% of which will be reimbursed out of the proceeds of the Offering) into a Trust-controlled reserve account related to the Property's tax increment financing.

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PLAN OF DISTRIBUTION

The Trust is offering $41,798,470 of Interests, representing a maximum of 99% of the Interests in the Trust. For purposes of this Memorandum, various fees have been calculated based on $42,220,677, which represents 100% of the Interests in the Trust.

All proceeds from a potential Investor will be promptly returned if the offer to purchase is not accepted by the Trust. The Trust reserves the right to refuse to sell the Interests to any person, in its sole discretion, and may terminate the Offering at any time.

The offer and sale of the Interests are made in reliance upon exemptions from the Securities Act and state securities laws. Accordingly, distribution of this Memorandum has been strictly limited to persons satisfying the suitability requirements described in the section entitled "The Offering – Who May Invest" herein. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy with respect to any person not satisfying those qualifications.

Rule 506(b)

This Offering is being made in reliance on Rule 506(b) of Regulation D promulgated under the Securities Act. As a result, no general advertising or general solicitation is permitted in connection with the sale of the Interests.

General Description

The Interests are beneficial interests in the Trust. If a prospective Investor elects to purchase Interests and the Trust accepts such purchase, he, she or it will become an Investor in the Trust upon payment in full of the purchase price. The Trustees (and in particular the Administrative Trustee) are solely responsible for the operation and management of the Trust. The Investors have no right to participate in the management of the Trust or in the decisions made by the Trustees. The Trustees will not consult with the Investors when making decisions with respect to the Trust and the Property. The Administrative Trustee will be under no obligation to make its decision with respect to a prospective sale of the Property in accordance with the wishes of Investors. The sole rights of the Investors will be to receive distributions from the Trust if, as and when made, as provided in the Trust Agreement and permitted under the Loan Documents, and to remove and replace a Trustee only in certain, limited circumstances as described herein, subject to the written consent of the Lender. *See* "SUMMARY OF THE TRUST AGREEMENT – *Authority of Investors.*"

The minimum amount of Interests that a Cash Investor may purchase is $25,000, unless the Trust waives this minimum requirement. The minimum amount of Interests that a Section 1031 Investor may purchase is $100,000, unless the Trust waives this minimum requirement.

The Offering will terminate on or before the earlier of January 31, 2023 (which date is subject to extension by the Sponsor) or the date on which all $41,798,470 of the Interests offered hereby have been sold.

Qualifications of Investors

The Interests are being offered only to accredited investors who can represent that they meet the investor suitability requirements described in "WHO MAY INVEST" and Interests may be purchased only by prospective Investors who satisfy such suitability requirements.

Sale of Interests

Prospective Investors must adhere to the arrangements summarized in "HOW TO PURCHASE" and "SUMMARY OF THE PURCHASE AGREEMENT" in this Memorandum and set forth in full in the Purchase Agreement, the form of which is included in Exhibit A to this Memorandum. There is no assurance that all Interests will be sold, and the Trust reserves the right to refuse to sell Interests to any person, in its sole discretion, and may terminate this Offering at any time.

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Marketing of Interests

Offers and sales of Interests will be made on a "best efforts" basis by broker-dealers (the "**Selling Group Members**") who are members of the Financial Industry Regulatory Authority, Inc. ("**FINRA**"). Arete Wealth Management, LLC (the "**Managing Broker-Dealer**"), a member of FINRA, serves as the Managing Broker-Dealer and will receive selling commissions ("**Selling Commissions**") of up to 6.0% of the purchase price of the Interests sold by Selling Group Members (the "**Total Sales**"), some or all of which it will re-allow to the Selling Group Members; provided, however, that this amount will be reduced in the event a lower commission rate is requested by a Selling Group Member and the commission rate will be the lower agreed upon rate. Thus, certain Investors may acquire Interests net of Selling Commissions. The Managing Broker-Dealer will also receive: (a) a non-accountable marketing and due diligence allowance of up to 1.0% of the Total Sales (the "**Marketing and Due Diligence Allowance**"), which may be re-allowed, in whole or in part, to the Selling Group Members, (b) a managing broker-dealer fee of up to 0.75% of the Total Sales (the "**Managing Broker-Dealer Fee**"), which may be re-allowed, in whole or in part, to the Selling Group Members, (c) a syndication fee of up to 2.0% of the Total Sales (the "**Syndication Fee**") which may be reallowed to wholesalers or other associated persons eligible to receive such compensation, and may sell Interests as a Selling Group Member, thereby becoming entitled to Selling Commissions. The Trust will also reimburse the Sponsor, its affiliates and certain third parties for offering and organizational expenses (the "**O&O Expenses**") in an amount equal to 0.26% of the gross cash proceeds of the Offering. The Selling Commissions, the Marketing and Due Diligence Allowance, the Managing Broker-Dealer Fee, the Syndication Fee, the O&O Expenses, as well as other costs of the Offering (collectively, the "**Selling Commissions and Offering Expenses**"), will be paid by the Trust out of the gross Offering proceeds. In addition to the foregoing fees, the Managing Broker-Dealer will receive from the Trust a servicing fee of $5,000 per month for the duration of the Offering, in connection with its role in effectuating the Offering.

The Trust will obtain representations from the Managing Broker-Dealer 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.

Inquiries about purchases should be directed to the Managing Broker-Dealer, Arete Wealth Management, LLC, 1115 W. Fulton Market, 3rd Floor, Chicago, IL 60607.

Sales Materials

Other than this Memorandum, the Exhibits hereto and factual summaries and sales brochures of the Offering, no other literature will be used in the Offering.

The Sponsor, the Trust, the Administrative Trustee and parties related thereto may also respond to specific questions from broker-dealers and prospective Investors. Information relating to the Offering may be made available to broker-dealers for their internal use. However, the Offering is made only by means of this Memorandum. Except as described herein, the Trust has not authorized the use of other sales materials in connection with the Offering. The information in such materials does not purport to be complete and should not be considered a part of this Memorandum, or as incorporated into this Memorandum by reference or as forming the basis of the Offering.

No dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Memorandum or in any sales literature issued by the Trust and referred to in this Memorandum, and, if given or made, such information or representations must not be relied upon.

Fee Waivers

Each Investor may agree with the Investor's respective investment representatives or broker/dealer to reduce or eliminate any Selling Commissions payable with respect to the Investor's purchase of the Interests. In this case, the Trust will not pay any Selling Commissions to the Managing Broker-Dealer in respect of the Interests for which the broker/dealer or investment representative has agreed to waive or reduce the fees, to the extent of such waiver or reduction, which will have the effect of increasing the amount of Interests purchased by the particular Investor. In addition, in no event will any Selling Commissions or other fees be paid in connection with the sale of Interests directly by the Trust. The proceeds to the Trust will not be affected by any waiver of Selling Commissions.

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In addition, on a case-by-case basis, the Managing Broker-Dealer and/or the Sponsor may, in its sole discretion, decide to reduce or waive certain fees or reimbursements to which they are entitled in connection with a particular sale of Interests. Any such waiver or reduction will have the effect of increasing the amount of Interests purchased by the particular Investor. The proceeds to the Trust will not be affected by any waiver of these fees or reimbursements.

Moreover, in certain circumstances, in addition to the waivers and reductions described in the preceding paragraph, the Trust may elect to further discount the price at which it sells the Interests. In any such circumstance, the proceeds to the Trust will not be affected because any difference between the discounted purchase price and the stated purchase price will be borne by the Sponsor and not the Trust.

In the event an Investor independently uses the services of a registered investment advisor and not a broker/dealer in connection with the purchase of Interests, no Selling Commissions will be payable to the investment advisor with respect to the Investor's purchase of those Interests, which will have the effect of increasing the amount of Interests purchased by the particular Investor. The payment of any fees or similar compensation to such investment advisor will be the sole responsibility of the Investor, and the Trust will have no liability for that compensation. The proceeds to the Trust will not be affected by this waiver of Selling Commissions.

Limitation of Offering

The offer and sale of the Interests are made in reliance upon exemptions from the Securities Act and state securities laws. Accordingly, distribution of this Memorandum has been strictly limited to persons satisfying the investor suitability requirements described herein, and this Memorandum does not constitute an offer to sell or a solicitation of an offer to buy with respect to any person not satisfying those requirements.

Ownership by the Sponsor

With respect to any Interests not sold in the Offering, the holder of such unsold Interests (whether the Depositor or otherwise) reserves the right to sell or otherwise transfer such unsold Interests, to persons affiliated with the Sponsor or otherwise, whether pursuant to a secondary offering or otherwise. *See* "RISK FACTORS – *Risks Related to the Offering*" and "CONFLICTS OF INTEREST."

Acceptance of Investors

The Trust may accept or reject the Purchase Agreement of any prospective Investor for any reason or no reason for a period of 30 days after receipt of the Purchase Agreement. Any proposed purchase of Interests not accepted within 30 days of receipt shall be deemed rejected.

Broker Dealer Disclosures

The Interests will be offered and sold pursuant to an exemption from the registration requirements of the Securities Act, in accordance with Rule 506(b) of Regulation D, and in compliance with any applicable state securities laws. 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 you if the Selling Group Members 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. In the event a Selling Group Member notifies the Trust with respect to a "disqualifying event" under Rule 506, the Trust will be required to inform potential Investors.

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ESTIMATED SOURCES AND USES OF PROCEEDS

The following table sets forth the estimated sources and uses of the proceeds of the Offering and the Loan. The Sponsor, the Administrative Trustee, the Master Tenant and their respective affiliates will receive substantial compensation and fees in connection with the Offering and the acquisition and operation of the Property, as described in this Memorandum. The figures below are based upon 100% of the Interests, equivalent to $42,220,677. All percentages are rounded to the nearest hundredth of a percent.

This table has been included for purposes of informing prospective Investors about the compensation and expenses that have been, or will be, received or incurred in connection with this Offering. This table does not address the allocation for federal income tax purposes of the amount paid by an Investor for its Interest. Prospective Investors should discuss with their own tax advisors the tax treatment of the purchase of an Interest.

Certain of the costs reflected below have been estimated. If the actual costs and expenses are greater than this amount, the Depositor will bear such excess costs and expenses. If the actual costs and expenses are less than this amount, the Depositor will retain such excess as additional compensation.

	Total Proceeds	Amount from Loan	Amount Equal to 100% of the Interests	Amount Based on Max Offering (99% of the Interests)	% of Maximum Offering Amount	% of Overall Expenditures
SOURCES						
Offering Proceeds	$42,220,677		$42,220,677	$41,798,470	100.00%	49.04%
Loan Proceeds	$43,878,000	$43,878,000				50.96%
	$86,098,677	**$43,878,000**	**$42,220,677**			
APPLICATION						
Selling Commissions	$2,533,241		$2,533,241	$2,507,908	6.00%	2.94%
Non-accountable Marketing and Due Diligence Allowance	422,207		$422,207	$417,985	1.00%	0.49%
Managing Broker-Dealer Fee	316,655		$316,655	$313,489	0.75%	0.37%
Syndication Fees	844,414		$844,414	$835,969	2.00%	0.98%
Offering Organizational Costs	110,000		$110,000	$108,900	0.26%	0.13%
	$4,226,516	$0.00	$4,226,516	$4,184,251	10.01%	4.91%
COSTS OF ACQUISITION						
Property Acquisition	$74,000,000	$42,763,287	$31,236,713	$30,924,346	73.98%	85.95%
Closing Costs	$274,035		$274,035	$271,295	0.65%	0.32%
Lender Processing Fee	$358,524		$358,524	$354,939	0.85%	0.42%
Lender Reserves Escrow	$1,114,713	$1,114,713	$0	$0	0.00%	1.29%
Trust Reserves	$876,201		$876,201	$867,439	2.08%	1.02%
Bridge Equity Fee	$2,219,908		$2,219,908	$2,197,709	5.26%	2.58%
Acquisition Fee	$1,295,000		$1,295,000	$1,282,050	3.07%	1.50%
Asset Management Fee	$1,295,000		$1,295,000	$1,282,050	3.07%	1.50%
Financing Fee	$438,780		$438,780	$434,392	1.04%	0.51%
	$81,872,161	$43,878,000	$37,994,161	$37,614,220	89.99%	95.09%
TOTAL ACQUISITION	**$86,098,677**	**$43,878,000**	**$42,220,677**	**$41,798,470**	**100%**	**100%**

[NOTES ON FOLLOWING PAGE]

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NOTES:

(1) Selling Commissions in an amount of up to 6.0% of the Total Sales will be paid to the Managing Broker-Dealer, some or all of which it will re-allow to the Selling Group Members. The Managing Broker-Dealer will also receive a (a) non-accountable Marketing And Due Diligence Allowance of up to 1.0% of the Total Sales, which may be re-allowed, in whole or in part, to the Selling Group Members; (b) Managing Broker-Dealer Fee of up to 0.75% of the Total Sales, which may be re-allowed, in whole or in part, to the Selling Group Members; and (c) a Syndication Fee of up to 2.0% of the Total Sales which may be reallowed to wholesalers or other associated persons eligible to receive such compensation.

(2) The Trust will pay or reimburse some or all of these amounts to affiliates of the Trust, as described in this Memorandum. *See* "COMPENSATION OF THE SPONSOR AND ITS AFFILIATES."

(3) Pursuant to the Appraisal, the fair market value of the Property is $74,400,000. The Maximum Offering Amount, $41,798,470, represents the Offering Property Value, less the Loan proceeds, plus closing costs and related transactional costs, a structuring fee, financing fee and loan processing fee to the Sponsor, reserves and the Selling Expenses and Offering Expenses, all multiplied by the 99% of Interests that are the subject of this Offering.

(4) "Lender Reserve Escrow" includes "Lender Reserve Accounts" consisting of (1) an initial contribution of $86,700 into the Replacement Reserve Account funded from the Loan as replacement reserves for the Property, (2) a Tax and Insurance Reserve Escrow Account of $482,431 funded from the Loan for insurance premiums and real estate taxes, and (3) a contribution of $424,552 which was funded from the Loan into the TIF Reserve Account related to the Property's tax increment financing. "Lender Reserve Escrow" also includes prefunded Loan interest funded from the Loan in the amount of $121,030.

(5) "Trust Reserves" consists of a contribution of $876,201 into the Trust Reserve Account.

(6) The Bridge Equity Fee is a fee payable to TREG Bridge Partners (the sole owner of the Depositor), which equals approximately 7% of the funds TREG Bridge Partners was required to invest in the Trust to enable the Trust to acquire the Property and compensates TREG Bridge Partners for providing the funds needed by the Trust to acquire the Property.

(7) The Asset Management Fee is a one-time fee paid to the Sponsor in respect of asset management services it will provide to the Trust.

Certain of these costs have been estimated for purposes of this table. If the actual costs and expenses exceed the estimates, the Sponsor will pay those costs and expenses. Conversely, if the estimates exceed the actual costs and expenses, the Sponsor will retain the difference as additional compensation.

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RISK FACTORS

The Interests are speculative and involve a high degree of risk. A prospective Investor should be able to bear a complete loss of the prospective Investor's investment. Prospective Investors should carefully read this Memorandum before purchasing an Interest.

A PROSPECTIVE INVESTOR SHOULD CONSIDER CAREFULLY, AMONG OTHER RISKS, THE FOLLOWING RISKS, AND SHOULD HAVE THE PROSPECTIVE INVESTOR'S OWN INDEPENDENT LEGAL, TAX, ACCOUNTING AND FINANCIAL ADVISORS CLOSELY REVIEW THIS MEMORANDUM AND ALL DOCUMENTS REFERENCED HEREIN AND ATTACHED HERETO BEFORE INVESTING IN THE INTERESTS. THESE RISK FACTORS, OR OTHER EVENTS, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN THIS MEMORANDUM. FURTHERMORE, THESE RISK FACTORS RELATE TO A SOPHISTICATED TRANSACTION AND ALTHOUGH THE TRUST HAS ENDEAVORED TO ANALYZE THIS TRANSACTION AND THE RISKS ATTENDANT TO THIS TRANSACTION TO THE BEST OF ITS ABILITY, THE FOLLOWING RISKS MAY NOT ENCOMPASS EVERY POSSIBLE RISK WITH REGARD TO THIS TRANSACTION. ONLY AFTER A PROSPECTIVE INVESTOR AND THE PROSPECTIVE INVESTOR'S INDEPENDENT ADVISORS HAVE ANALYZED THE UNDERLYING DOCUMENTS CAN THE PROSPECTIVE INVESTOR FULLY UNDERSTAND THE TRANSACTION.

Risks Related to the Delaware Statutory Trust Structure

Investors will have limited control over the management of the Trust.

The Trustees (and in particular the Administrative Trustee) are solely responsible for the operation and management of the Trust. The Investors have no right to participate in the management of the Trust or in the decisions made by the Trustees. The Trustees (and the LLC Manager, if applicable) will not consult with the Investors when making decisions with respect to the Trust and the Property. The Administrative Trustee will be under no obligation to make its decision with respect to a prospective sale of the Property in accordance with the wishes of Investors. The Trustees of the Trust may only be removed by Investors holding a majority of the Interests and only if the Trustees have engaged in willful misconduct, fraud or gross negligence with respect to the Trust.

The Trustees have limited duties to Investors, and may take actions that are not in the best interests of the Investors.

The Delaware Statutory Trust Act does not impose any fiduciary duty on the trustees, managers or owners of Delaware statutory trusts and permit the waiver of all fiduciary duties other than the implied duty of good faith and fair dealing. The Trustees do not owe any duties to the Investors other than those provided for in the Trust Agreement. Specifically, the Trustees do not have a fiduciary duty to any Investors as would be applicable to a limited liability company or partnership and, therefore, may take actions that would not be in the best interests of one or more of the Investors. The Trust Agreement provides that the Trustees will be individually answerable for their actions to the Investors only if, among other things, the Trustees engage in willful misconduct or gross negligence or any "prohibited action" under the Trust Agreement, or they fail to use ordinary care in disbursing monies to Investors pursuant to the terms of the Trust Agreement.

The Trustees have limited authority, and the Trust may face increased termination risk.

To comply with the tax law regarding exchanges under Section 1031, the Trust structure prevents the Trustees from engaging in numerous actions, to the extent any such action would "vary the investment" of the Investors under Treasury Regulation Section 301.7701-4(c): (1) reinvesting money held by the Trust, except as provided in the Trust Agreement; (2) entering into new financing, renegotiating the Master Lease or entering into a new lease or leases except in the event of the bankruptcy or insolvency of the Master Tenant; (3) making other than minor non-structural modifications to the Property other than as required by law; (4) after the formation and capitalization of the Trust, accepting any additional capital contributions from any Investor, or any contributions from any prospective new investor; or (5) taking any other action that would in the opinion of tax counsel cause the Trust to be treated as a "business entity" for federal income tax purposes.

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Accordingly, in order to be able to take the actions necessary to avoid a default under the Loan and a loss of the Property, the Trust may be converted into a Springing LLC, which would be governed by the terms of the Springing LLC operating agreement substantially in the form attached to the Trust Agreement. The Property will remain subject to the Master Lease and the Loan Documents after any such Transfer Distribution (unless otherwise terminated or renegotiated), and the ownership interest of each Investor in the Springing LLC will be identical to such Investor's Interest in the Trust (subject to the impact of additional capital requirements). However, as a result of such Transfer Distribution, the Investors will at such time no longer be considered to own, for federal income tax purposes, a direct ownership interest in the Property held by the Springing LLC. Because the Springing LLC will be treated as a partnership for tax purposes, it may not be possible for the individual Investors to do a tax-free exchange when a Springing LLC ultimately disposes of the Property.

Investors will not have legal title to the Property.

Investors will not have legal title to the Property. The Investors will not have the right to seek an in-kind distribution of the Property or divide or partition the Property. The Investors will not have the right to sell the Property.

The Trustees and the Property Manager will receive significant compensation, regardless of whether Investors have received distributions.

Regardless of the performance of the Property, the Trustees and the Property Manager are entitled to receive significant fees and other compensation, payments and reimbursements. Those fees will be paid prior to any distributions to the Investors. *See* "COMPENSATION OF THE SPONSOR AND ITS AFFILIATES."

The Trust is required to indemnify the Trustees.

The Trustees, and their respective owners, officers, directors, members, employees, agents and other affiliates, have been indemnified by the Trust from and against any liabilities, losses, claims, suits and expenses (including reasonable legal fees) that may be incurred or asserted against the Trustees in connection with the operation of the Trust or the Property. Such indemnification does not apply, however, if the claim, suit or liability results from, among other things, the willful misconduct or gross negligence of the Trustees, the engagement by the Trustees in any "prohibited action" under the Trust Agreement, or the failure to use ordinary care in disbursing monies to Investors pursuant to the terms of the Trust Agreement. To the fullest extent permitted by law, the Trustees are entitled to advancement of expenses incurred in defending a claim prior to its final disposition, subject to repayment if a court renders a final, non-appealable judgment that the applicable Trustee is not entitled to indemnification. A successful claim for such indemnification would decrease the value of an Interest by its pro rata share of the amount paid. See "SUMMARY OF TRUST AGREEMENT."

Risks Related to the Property

There are inherent risks with real estate investments.

The economic success of an investment in the Trust will depend upon the results of operations of the Property, which will be subject to those risks typically associated with investments in real estate, including without limitation:

- changes in the national, regional and local economic climate;
- local conditions such as an oversupply of similar residential properties or a reduction in demand for the Property;
- the attractiveness of the Property to potential Residents;
- the ability to collect rent from the Residents;
- changes in the availability and costs of financing, which may affect the sale of the Property;
- eminent domain or condemnation actions against the Property;
- covenants, conditions, restrictions and easements relating to the Property;

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- governmental regulations, including financing, environmental usage and tax laws, regulations and insurance;
- the ability of the Master Tenant to pay for adequate maintenance, insurance and other operating costs, including real estate taxes, which could increase over time;
- acts of nature, such as hurricanes, earthquakes, tornadoes and floods that may damage the Property and acts of nature such as a drought that could affect the value of real estate in the affected area including the Property; and
- the impact of an epidemic in the area in which the Property is located or a pandemic, which could severely disrupt the global economy.

Any negative change in the factors listed above could adversely affect the financial condition and operating results of the Property and, in turn, the Trust. The profitability of an investment in the Trust will depend on factors such as these.

The value of the Property over the term of the Trust is not certain.

U.S. and international financial markets have been volatile, particularly over the last 12 years. The effects of this volatility may persist particularly as financial institutions respond to new, or enhanced, regulatory requirements and other national and international events affecting financial markets, all of which could impact the availability of credit and overall economic activity as a whole. Further, the fluctuation in market conditions makes judging the future performance of real estate assets difficult. In addition, the Loan has been obtained in an historically low interest rate environment, and if interest rates increase materially prior to the disposition of the Property, any such increase may cause a decrease in the future market value of the Property, which may negatively impact the proceeds received by Investors upon a disposition of the Property.

Global financial, economic and social conditions could deteriorate.

The performance of the Property could be materially affected by conditions in the global financial markets and economic conditions generally. In December 2019 there was an outbreak of a novel coronavirus, which causes the disease known as COVID-19. COVID-19 was first identified in Wuhan, China and has since spread globally in the form of several variants. Government efforts to contain the spread of COVID-19 through lockdowns of cities, business closures, restrictions on travel and emergency quarantines, among others, and responses by businesses and individuals to reduce the risk of exposure to infection, including social distancing in the form of reduced travel, cancellation of meetings and public and private events, and implementation of work-at-home policies, among others, have caused significant disruptions to the global economy and normal business operations across a growing list of sectors and countries, including in the United States.

The pandemic and the suspension of business and temporary closure of factories in an attempt to curb the spread of the illness have caused many manufacturers of goods around the world to suffer a downturn in production, which has led to a decline in imported goods from affected countries and may negatively impact business conditions. The foregoing conditions have, and are likely to continue to, adversely affect business confidence, consumer sentiments, and lifestyle and commercial decisions, and have been, and may continue to be, accompanied by significant volatility in financial markets and asset values. This could lead to impacts on the Trust and the operation of the Property similar to those described above.

The spread of COVID-19, which continues throughout the world, despite many countries administering vaccines designed to protect against COVID-19 and injecting unprecedented amounts of capital into the economy through low or zero interest loans, tax cuts, and direct payments to consumers, and the continued efforts to contain its spread and reduce the risk of exposure through social distancing and other mitigation measures, are expected to continue having broader macroeconomic implications, including reduced levels of economic growth, fears of inflation, and the possibility of a global recession. Some economists and major investment banks have expressed concern that the continued spread of the virus globally could lead to a world-wide economic downturn and the unprecedented levels of capital injected into the economy may lead to inflation not seen in decades. The effects of an economic downturn and government efforts to combat COVID-19 could be felt well beyond the time the pandemic is contained and could

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adversely affect the financial condition and operating results of the Partnership's investments and, in turn, the Partnership.

Furthermore, as evidenced by the outbreak of COVID-19, a public health issue such as a major epidemic or pandemic in the United States could directly impact the area where the Property is located. A significant local outbreak of a dangerous or infectious disease within Lansing/Ingham county or among the tenants at the Property could be severely disruptive to the operations of the Property. In the event of either of the foregoing cases, or the perceived risk of the foregoing, management and healthy maintenance of the Property would likely become more costly.

The current and any future effects of the coronavirus pandemic and government responses to the pandemic as well as the resulting global financial, economic and social distress may materially and adversely affect the validity of the assumptions used as a basis for the financial forecasts used in the Memorandum. All of the foregoing could impact cash flow or cause the Investors to lose all or substantially all of their investment in the Trust.

The financial performance of the Property is dependent upon the Residents.

The financial performance of the Property, and in turn the ability of the Master Tenant to meet its obligations under the Master Lease, will depend on the Residents and their payment of rent under their respective Residential Leases. If a large number of Residents become unable to make rental payments when due, decide not to renew their Residential Leases, or decide to terminate their Residential Leases, this could result in a significant reduction in rental revenues, which could require the Trust or the Springing LLC to contribute additional capital or obtain alternative financing to meet obligations under the Loan. In addition, the costs and time involved in enforcing rights under a Residential Lease with a Resident, including eviction and re-leasing costs, may be substantial. There can be no assurance that the Master Tenant, the Property Manager, or the Springing LLC will be able to successfully pursue and collect from defaulting Residents or re-let the premises to new Residents without incurring substantial costs, if at all.

The ability of the Master Tenant, the Property Manager or the Springing LLC to retain current Residents, and the ability of the Master Tenant, the Property Manager or the Springing LLC to attract new Residents, and for the Master Tenant, the Property Manager or the Springing LLC to increase rental rates as necessary, will depend on factors both within and beyond the control of the Master Tenant, the Property Manager, and the Springing LLC. These factors include changing demographic trends and traffic patterns, the availability and rental rates of competing apartments or private residential space, general and local economic conditions, and the financial viability of the Residents. The loss of a Resident and the inability to maintain favorable rental rates with respect to the Property would adversely affect the viability of the Trust and the value of the Property. Although insurance has been obtained with respect to the Property to cover casualty losses and general liability and business interruption, no other insurance will be available to cover losses from ongoing operations. The occurrence of a casualty resulting in damage to the Property could decrease or interrupt the payment of Residents' rent. In the event of an adverse effect on the income of the Trust, the Trust is not permitted to obtain additional funds through additional borrowings or additional capital, and could be required to effect a Transfer Distribution. If, after a Transfer Distribution, additional funds are not available from any source, the Springing LLC would be forced to dispose of all or a portion of the Property on terms that may not be favorable to the Investors. A Transfer Distribution may have adverse tax consequences for the Investors. *See* "FEDERAL INCOME TAX CONSEQUENCES."

The Property may experience a greater level of vacancy than projected in this Memorandum.

The vacancy rate at the Property may be higher than projected for purposes of the Financial Forecast set forth on Exhibit E to this Memorandum. In the event that the Master Tenant is unable to retain Residents or lease the residential units due to increased competition, and therefore is unable to pay Rent or satisfy its obligations under the Master Lease, the Trust may experience loss of income and the rate of return to Investors may be lower than that targeted.

The operation of the Property depends, in part, on the availability of public utilities and services, especially for water and electric power. Any reduction, interruption or cancellation of these services may adversely affect the Trust and the Master Tenant.

Public utilities, especially those that provide water and electric power, are fundamental for the sound operation of the Property. The delayed delivery or any material reduction or prolonged interruption of these services

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could allow the Residents to terminate their leases or result in an increase in the Master Tenant's costs, as it may be forced to use backup generators.

An increase in real estate taxes may affect the operating results of the Property and the Trust.

The targeted income from the Property is based on certain assumptions, including an increase in real estate taxes. However, from time to time the real estate taxes may increase further as property values or assessment rates change or for other reasons deemed relevant by the assessors. Real estate taxes may increase even if the value of the Property declines. An increase in the assessed valuation of the Property for real estate tax purposes will result in an increase in the related real estate taxes on the Property. In the event that the actual Uncontrollable Costs (which include real estate taxes and similar impositions) for any Lease Year for the Property exceed the Projected Uncontrollable Costs for such year for the Property, then the Master Tenant will be responsible for payment of such excess amount, but will be entitled to reimbursement of such excess amount by offsetting such amount against Additional Rent and, if necessary, Bonus Rent, which could adversely affect the financial condition and operating results of the Trust. *See* "SUMMARY OF THE LEASES – *Master Lease.*"

The purchase price of the Interests was not determined in an arm's-length transaction and includes fees and other charges.

The Maximum Offering Amount, $41,798,470, represents the Offering Property Value, less the Loan proceeds, plus closing costs and related transactional costs, a structuring fee, financing fee and loan processing fee to the Sponsor, reserves and the Selling Expenses and Offering Expenses, in each case multiplied by the 99% of Interests that are being sold in this Offering. *See* "ESTIMATED SOURCES AND USES OF PROCEEDS." The purchase price for the Interests is determined unilaterally by the Trust and is not based on an arm's-length negotiation or transaction. The total purchase price for the Interests is significantly higher than the acquisition cost of the Property (less the Loan proceeds) due to the addition of closing costs and related transactional costs, a bridge equity fee, acquisition fee, financing fee, and one-time asset management fee to the Sponsor, reserves and the Selling Expenses and Offering Expenses. The Investors are, however, acquiring their Interests based on the existence of the Loan, the Master Lease and the underlying Residential Leases. In order to make a profit on a sale of the Property or any Interest, the Investors will need to receive sufficient proceeds to recover the added acquisition costs included in the original purchase price, as well as: (1) the costs associated with their own attorneys and tax advisors; and (2) any costs related to the disposition of the Property or Interest.

There is a general risk of investment in the Property.

The economic success of an investment in the Trust will depend upon the financial performance of the Property, which is subject to those risks typically associated with investments in real estate. Fluctuations in vacancy rates, rent schedules, and operating expenses can adversely affect operating results or render the sale or refinancing of the Property difficult or unattractive. No assurance can be given that certain assumptions as to the future levels of occupancy of the Property, future rental appreciation, future cost of capital improvements or future costs of operating the Property will be accurate since such matters will depend on events and factors beyond the control of the Trust and the Investors. Such factors include continued validity and enforceability of the leases, vacancy rates for properties similar to the Property, financial resources of tenants, rent levels at other housing properties located near the Property, adverse changes in local population trends, market conditions, neighborhood values, local economic and social conditions, supply and demand for properties similar to the Property, competition from similar properties, interest rates and real estate tax rates, governmental rules, regulations, and fiscal policies, the enactment of unfavorable real estate, environmental, zoning or hazardous material laws, uninsured losses, effects of inflation, and other risks.

Unanticipated capital expenditures, maintenance costs and Uncontrollable Expenses related to the Property could affect Investors' returns.

The Trust will maintain the Reserve Accounts to make funds available for Capital Expenses under the Master Lease, and the Trust may also become responsible for unanticipated costs under the Residential Leases if the Residents or the Master Tenant defaults under such Residential Leases. In the event that the Reserve Accounts are not sufficient to pay for any costs incurred by the Trust in connection with its obligations with respect to the Property or pursuant to the Master Lease, then the Investors' returns will be reduced accordingly.

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In addition, although the Master Lease provides that the Master Tenant is financially responsible for the real estate taxes, utility costs and Property insurance costs for each year up to the amount set forth in the Financial Forecast attached as Exhibit E to this Memorandum, the Trust (and thus the Investors) will bear all such costs to the extent they exceed such projections. If that happens, amounts otherwise payable as Additional Rent and/or Bonus Rent will be reduced to reimburse the Master Tenant for such excess Uncontrollable Expenses.

Uninsured losses may adversely affect returns.

The Master Tenant has obtained all insurance required under the Loan Documents, including, without limitation, comprehensive, replacement cost casualty insurance with not less than 12 months of loss of rent coverage and personal liability and property damage insurance. The Trust has been named as an additional insured or loss payee, as the case may be, on the insurance policies obtained by the Master Tenant. There can be no assurance that the insurance maintained by the Master Tenant will be sufficient to cover any particular liability or unanticipated loss. In addition, the particular risks that are currently insurable may not continue to be insurable on an economical basis or the necessary levels of coverage may not continue to be available. If a loss occurs that is partially or completely uninsured, an Investor may lose his, her or its entire investment in the Property.

The Trust does not guarantee the condition of, or title to, the Property.

The Trust will not make any warranties or representations to the Investors regarding the condition of the Property. A prospective Investor is investing in the Property in an "as is" condition, on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose.

In addition, the Property is subject to various matters affecting title, including but not limited to zoning ordinances, building codes and matters set forth on the pro forma owner's title insurance policy and survey, which policy and survey are available in the Investor Data Room. These matters may include, for example, easements, declarations, restrictions, agreements and other limitations on the right of the Trust to construct, develop and use the Property and may impose certain maintenance obligations upon the Trust. Documents related to the most significant matters affecting title are also available in the Investor Data Room. In addition, other issues that are not disclosed by the policy or the survey may affect title. In connection with the acquisition of the Property, the Trust obtained title insurance; however, the title is insured only in an amount equal to the appraised fair market value of the Property ($74,400,000), and not the full amount of the total acquisition cost. In the event that a known or new matter arises with respect to the Property, however, there is no guarantee that the title insurance will sufficiently protect the Trust against all title issues affecting the Property, that the title company will pay any claim, that the title insurance is sufficient to cover any damages, or that the Trust will not incur costs in making a title insurance claim.

The existence of any environmental issues with the Property, including a known CREC identified by the Phase I, may adversely affect the Trust.

Federal, state and local laws may impose liability on a landowner for releases of or the presence on the premises of hazardous substances and petroleum, without regard to fault or knowledge of the presence of such substances. A landowner may be held liable for the presence of hazardous substances and petroleum that occurred before it acquired title and/or that occur during ownership of, even if the conditions are not discovered until after it sells, a property. If hazardous substances or petroleum are found at any time on the Property, the Trust may be found to be responsible for all or a portion of cleanup costs, fines, penalties and other costs regardless of whether the Trust owned the Property when the releases occurred or such substances were discovered. Under the Federal Comprehensive Environmental Response, Compensation, and Liability Act ("**CERCLA**") (which does not apply to petroleum contamination), as well as other federal and state environmental laws (many of which do apply to petroleum products), a purchaser of property may qualify for affirmative defenses to, and exemptions from liability. One of the factors often critical to the defense is obtaining, within 180 days before acquiring a property, a Phase I Environmental Site Assessment (a "**Phase I**") that qualifies as "All Appropriate Inquiry."

A Phase I was obtained for the Property, which was performed in compliance with the standards of ASTM Practice E1527-13, which the United States Environmental Protection Agency and many states have recognized as adequate to demonstrate compliance with "All Appropriate Inquiry." *See* "DESCRIPTION OF THE PROPERTY – *Environmental*."

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The objective of the Phase I was to identify any Recognized Environmental Conditions ("**RECs**"), Historical RECs ("**HRECs**"), Controlled RECs ("**CRECs**") and/or any other *de minimis* conditions ("***de minimis* conditions**") in connection with the Property. A REC is defined by ASTM E1527-13 as "the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property due to release to the environment, under conditions indicative of a release to the environment, or under conditions that pose a material threat of a future release to the environment." A Historical REC is defined by ASTM E1527-13 as "a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls." A Controlled REC is defined by ASTM E1527-13 as "a past release of any hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority (for example as evidenced by issuance of a no further action letter or equivalent) with hazardous substances or petroleum allowed to remain in place subject to implementation of required controls." *De minimis* conditions are not RECs. *De minimis* conditions generally do not present a threat to human health and the environment and generally are not subject to enforcement action if brought to the attention of governmental agencies. The Phase I was timely conducted no more than 180 days prior to the date of the Trust's acquisition of the Property.

A Phase I does not involve any invasive testing. A Phase I is limited to a physical walk through or inspection of the property and a review of the related governmental records. Consequently, there are no assurances that any actual environmental problems with or conditions on the Property would be exposed by a Phase I.

In the event that environmental contamination consisting of hazardous substances or petroleum existed with respect to the Property when the Trust acquired the Property, but which was not disclosed in the Phase I for the Property, and the contamination is subsequently discovered on the Property, the Trust may be able to avail itself of the defenses to, and the exemptions from, liability that are available under CERCLA and other federal and state laws, since the Trust will acquire the Property within 180 days of the effective date of the Phase I and otherwise satisfy the conditions of "All Appropriate Inquiry."

It is possible that an environmental claim may be raised in such a manner that the claim could become enforceable against the Trust. The existence of any environmental issues with the Property may make it more difficult and more expensive, and perhaps impossible, to sell the Property. If losses arise from environmental matters, the financial viability of the Property may be substantially affected. In an extreme case, the Property may be rendered worthless, or the Trust may be obligated to pay cleanup and other costs in excess of the value of the Property.

The Phase I for the Property did not identify any RECs, HRECs or *de minimis* conditions, however, the Phase I did identify the following CREC:

> The subject property was developed in the late 1960s with a hotel. In 1976, tennis courts, a pool building, and an outdoor pool were constructed. The pool was removed by 2015. Two underground storage tank (UST) systems were reportedly used to store heating oil. A Phase I Environmental Assessment was conducted which identified several concerns that required further action. Two Baseline Environmental Assessment reports were submitted to the Michigan Department of Environmental Quality (MDEQ) in 2014 and 2018. Several concerns were identified that required further action but are awaiting resources in order to be undertaken.
>
> A Baseline Environmental Assessment (BEA) Report dated November 5, 2018 issued to the state regulatory agency was prepared on behalf of WP Lansing-MI Owner, LLC (the then-current property owner) by SME. The BEA Report obtained its information from several prior reports dating back to 2007 as well as a new subsurface investigation was conducted in 2018 by SME. Based on the analytical results from the prior subsurface investigations as well as the SME Phase II, concentrations of benzo(a)pyrene, fluoranthene, aluminum, arsenic, iron, and manganese exceeded Part 201 criteria in multiple soil samples collected from the subject property. No other contaminants of concern (COCs) were identified in the soil. No volatile organic compounds (VOCs), polyaromatic hydrocarbons (PAHs), or metals were measured at concentrations exceeding the Part 201 criteria in any of the groundwater samples analyzed. SME confirmed that based on the previously discussed results, the subject property met the definition of a "facility" as defined exceeded Part 201 criteria in multiple soil samples collected from the subject property. No other contaminants of concern (COCs) were identified in the soil. No volatile organic compounds (VOCs), polyaromatic hydrocarbons (PAHs), or metals were measured at concentrations exceeding the Part 201 criteria in any of the groundwater samples analyzed. SME confirmed that based on the previously discussed results, the subject

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property meets the definition of a "facility" as defined by Part 201 based on concentrations of benzo(a)pyrene, fluoranthene, aluminum, arsenic, iron, and manganese exceeded Part 201 criteria for soil.

The Lansing MI Multifamily DST submitted a new Baseline Environmental Assessment to Michigan EGLE on December 7, 2021. Triterra prepared a Plan for Compliance with 20107A (i.e. Due Care Plan) for Lansing MI Multifamily DST dated December 7, 2021. This Plan for Compliance with Section 20107a documents the approaches and procedures to be implemented by the Lansing MI Multifamily DST for addressing and managing environmental due care obligations for the subject property. A pathway evaluation indicated that the drinking water pathway and groundwater/surface water pathways were incomplete. Additionally, the direct contact pathway was identified as incomplete based on development of a cap as an engineering control which mitigates the potential for direct contact to environmentally impacted soils. If the integrity of the cap is disturbed, then the exposure barrier must be replaced. Exposure to potentially impacted soil does not appear pose a threat to human health based on the current use of the subject property. If any surface or subsurface activities are to be conducted on the subject property in the future, the owner will consult with an environmental professional prior to conducting these activities to prevent and/or minimize any unreasonable exposures. The following describes the activities necessary for compliance with due care requirements: protection of human health, prevention of exacerbation, and protection of third parties. Additional record keeping and notifications are included as a part of the Due Care document.

Based on known contaminated soil remaining on the subject property, completion of a BEA and associated Due Care Plan, onsite observations, and regulatory oversight, known contamination on the subject property as a result of historical onsite activities is considered to be a Controlled Recognized Environmental Condition. The remaining impacts do not represent a human health concern to the occupants of the subject property and the subject property may continue to operate for multi-family residential use. Furthermore, based on the non-volatile nature of the remaining contamination, a vapor encroachment condition is not likely.

The Phase I revealed no Recognized Environmental Conditions in connection with the Property. However, because the CREC described above was identified, the Phase I recommended that a new owner of the Property, such as the Trust, obtain a new BEA and Due Care Plan for continued liability protections. The Trust submitted a new BEA to Michigan EGLE, and developed a Due Care Plan in accordance with the foregoing recommendation.

The Property may contain or develop harmful mold, which could lead to liability for adverse health effects and costs of remediating the problem.

The presence of mold at the Property could require the Trust to undertake a costly program to remediate, contain or remove the mold. Mold growth may occur when moisture accumulates in buildings or on building materials. Some molds may produce airborne toxins or irritants. Concern about indoor exposure to mold has been increasing because exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions. The presence of mold could expose the Trust to liability to the Master Tenant and/or the Residents if property damage or health concerns arise. Although mold is beyond the required scope of a Phase I, the Phase I for the Property considered mold as part of a non-scope consideration and did not reveal any obvious indications of water damage or mold growth at the Property. However, the mold evaluation was based on observation only. No sampling or assessment of inaccessible areas was performed.

The location of the Property may increase the risk of damage to the Property.

According to the Assessment, based on FEMA's "Map of Wind Zones in the United States," the Property is located in Wind Zone IV (up to 250 mph winds). As a result, the Property may face an increased likelihood of weather-related damage, the availability of insurance for the Property with respect to such risks may decrease over time, and the cost of insurance for such risks may increase over time or the Property may cease to be partially or fully insurable on an economical basis. *See* "DESCRIPTION OF THE PROPERTY."

Compliance with various laws could affect the operation of the Property.

Various federal, state and local regulations, such as fire and safety requirements, zoning, environmental regulations, the Americans with Disabilities Act of 1990, non-discrimination and equal housing laws, land use

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restrictions and taxes affect the Property. If the Property does not comply with these requirements, the Trust may incur governmental fines or private damage awards. New, or amendments to existing, laws, rules, regulations or ordinances could require significant unanticipated expenditures or impose restrictions on the development, construction or sale of the Property. These laws, rules, regulations or ordinances may adversely affect the ability of the Trust to operate or sell the Property.

A cybersecurity incident and other technology disruptions could negatively impact the Trust's business and the Master Tenant's relationships with the Residents.

The Trust and the Master Tenant use computers in substantially all aspects of their business operations. The Property Manager also may use mobile devices, social networking and other online activities to connect with the Residents. Such uses give rise to cybersecurity risks, including security breach, espionage, system disruption, theft and inadvertent release of information. The businesses of the Trust, the Master Tenant and the Property Manager involve the storage and transmission of numerous classes of sensitive and/or confidential information and intellectual property, including Residents' personal information. If the Trust, the Master Tenant or the Property Manager fails to assess and identify cybersecurity risks associated with their operations, they may become increasingly vulnerable to such risks. Additionally, any measures already implemented to prevent security breaches and cyber incidents may not be effective. The theft, destruction, loss, misappropriation or release of sensitive and/or confidential information or intellectual property or interference with the information technology systems of the Trust and the Master Tenant, or the technology systems of third-parties on which the Trust and the Master Tenant rely, or will rely (including those of the Property Manager), could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of Residents, potential liability and competitive disadvantage, any of which could result in a material adverse effect on the Trust's financial condition or results of operations.

Terrorist attacks and other acts of violence or war may affect the Trust's operations and profitability.

Any terrorist attack, other act of violence or war, including armed conflicts, could result in increased volatility in, or damage to, the United States and worldwide financial markets and economy. Increased economic volatility could adversely affect the Master Tenant's ability to pay its rents, which could affect the ability of the Property to generate operating income and, therefore, the Trust's ability to pay distributions.

Risks Related to the Financing

The Loan will reduce the funds available for distribution and increase the risk of loss.

The Trust owns the Property subject to the Loan. If there is a shortfall between the cash flow from the Property and the cash flow needed to service the Loan, then the amount of cash flow from operations available for distribution will be reduced. In addition, mortgage debt increases the risk of loss since any defaults under the Loan may result in the Lender initiating a foreclosure action. In such a case, the Trust could lose the Property, and the Investors could lose their entire investment in the Trust.

If the Trust is unable to sell or otherwise dispose of the Property before the maturity date of the Loan, it may be unable to repay the Loan and may have to cause a Transfer Distribution.

The ability of the Trust to repay the Loan will depend in part upon the sale or other disposition of the Property. There can be no assurance that a sale can be accomplished at a time or on terms and conditions that will permit the Trust to repay the outstanding principal amount of the Loan. Financial market conditions in the future may affect the availability and cost of real estate loans, making real estate financing difficult or costly to obtain for potential buyers of the Property. If the Property cannot be sold by the maturity date of the Loan, then the Signatory Trustee would likely determine that the Trust is in danger of losing the Property due to a payment default under the Loan and would cause a Transfer Distribution to the Springing LLC. The Springing LLC structure would allow the Signatory Trustee, which would then become the sole manager of the Springing LLC, to take actions that the Signatory Trustee in the DST structure could not, such as refinancing the Loan. However, no assurances can be made that the terms of any new loan will be competitive with or better than the terms of the Loan. Similarly, no assurances can be made that the Property could be sold, or that a sale of the Property would not result in a loss for the Trust. In addition, a Transfer Distribution may have adverse tax consequences for the Investors. See "*Federal Income Tax Consequences*."

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The prepayment provisions of the Loan Agreement may negatively affect the Trust's exit strategy.

One of the Trust's principal objectives will be to complete a sale of the Property prior to the maturity date of the Loan. However, the Loan has a term of 10 years and depending on when the Trust sells the Property and repays the Loan, it may be subject to a prepayment penalty.

The Loan may be prepaid in whole (but not in part) at any time during the term of the Loan, subject to a yield maintenance prepayment premium. The prepayment premium is equal to the "Prepayment Premium" as defined and calculated in accordance with a formula set forth in the Loan Documents; provided, however, if the prepayment is made (a) on or after approximately June, 2031 but before September 30, 2031, the prepayment premium will be 1% of the amount of principal being prepaid, or (b) on or after approximately September 30, 2031, no prepayment premium will be due.

The Trust's desire to avoid a prepayment premium may impact the timing of a sale of the Property. In addition, in the event that the Trust sells the Property before September 30, 2031, the proceeds from a sale will be reduced by the prepayment penalty under the Loan Documents. See "*Financing Terms*" for additional discussion.

The Loan Documents contain various restrictions on transfer.

The Loan Documents contain limited restrictions on the transfer of the Interests. The Loan Documents are anticipated to permit the Trust and the Investors to sell Interests so long as certain requirements are satisfied including the following: (1) there are no more than 1,999 holders of direct or indirect beneficial interests in the Trust at any given time; (2) following the transfer, control and management of the day-to-day operations of the Trust continue to be held by the party exercising such control and management immediately prior to the transfer and there is no change in the Non-Recourse Carve-Out Guarantor, if applicable; and (3) in the event a single transferee acquires and holds more than 25% of direct or indirect beneficial interests in the Trust, the transferee complies with certain identification procedures and searches required by or under the Office of Foreign Assets Control or federal anti-money laundering laws and regulations and has been approved by Lender. After the termination of this Offering, certain additional requirements set forth in the Loan Documents apply in the event of a transfer of 25% or more of direct or indirect beneficial interests in the Trust.

The Loan Documents contain various restrictive covenants, and if the Trust fails to satisfy or violates these covenants, the Lender may declare the Loan in default.

The Loan Documents contain customary covenants, representations and warranties. If the Trust fails to satisfy or violates the covenants and agreements in the Loan Documents, then the Lender may declare the Loan in default. If the Trust fails to cure a default within the time periods set forth in the Loan Documents, the Lender will have several remedies available, including foreclosing on the Property or declaring all amounts due and payable. If the Lender were to foreclose on the Property or to declare the Loan due, the Investors could lose their entire investment in the Property. See "*Financing Terms – Covenants, Representations and Warranties*."

In certain events, the Lender may require that the insurance or condemnation proceeds be used to repay the Loan rather than repair or restore the Property.

The Loan Agreement requires the Trust to maintain (or cause the Master Tenant to maintain) specific types and amounts of insurance with respect to the Property. Under the Loan Documents, in the event of a condemnation or casualty of the Property, the Lender will allow the insurance or condemnation proceeds to be used by the Trust to repair and restore the Property only under certain specified circumstances and subject to certain conditions. If these circumstances and conditions are not satisfied, the Lender may require that the insurance or condemnation proceeds be used to repay the Loan. Consequently, the Investors could lose all or substantially all of their investment in the Property.

A failure to comply with reporting obligations of the Loan Documents may result in a default.

The Loan Documents contain several covenants requiring the Trust and/or Master Tenant to prepare various financial and operating reports and statements. These reports and statements will be prepared by the Asset Manager or the Property Manager. If the Asset Manager or the Property Manager fails to prepare these reports or statements,

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that failure will result in a default under the Loan Documents, which may ultimately result in a foreclosure under the Loan.

Risks Related to the Master Lease and the Management of the Property

The Master Tenant will have limited capital.

The capitalization of the Master Tenant consists solely of the Demand Note in the amount of $250,000 from the Sponsor. The Sponsor will be under no obligation to contribute capital to the Master Tenant other than the amount of the Demand Note. If the Master Tenant needs funds to pay the Rent under the Master Lease or satisfy its other obligations under the Master Lease, it will need to call upon the Sponsor to contribute the amount of the Demand Note except to the extent of any net earnings it may have retained. However, no assurance can be given that $250,000 will be sufficient to enable the Master Tenant to pay rent or to fund its obligations under the Master Lease, or that the Sponsor will be able to fund the Demand Note if called upon by the Master Tenant to do so. If the Master Tenant is unable to pay the Rent or satisfy its obligations under the Master Lease, the Master Tenant would be in default under the Master Lease, the Trust would be in default under the Loan and the Trust would likely terminate the Master Lease. In such event, the Trust may not be able to master lease the Property on terms similar to the Master Lease.

There is no assurance that the Sponsor will fund the Demand Note.

The Sponsor has capitalized the Master Tenant with the Demand Note. The Sponsor or its principals may capitalize other entities, including other master tenant entities, in a like manner in connection with other sponsored offerings. The Sponsor anticipates that in the future it will, through affiliates, master lease additional properties in transactions structured similarly to this Offering. There can be no assurance that the Sponsor will be able to satisfy its Demand Note to the Master Tenant. In the event the Master Tenant is unable to pay the Rent or satisfy its obligations under the Master Lease, the Trust may experience loss of income.

The Master Tenant may not perform under the Master Lease.

The Master Tenant is a newly formed entity and has no operating history. Although the Property is managed by the Property Manager, which has experience in managing the Property and other similar properties, no assurances can be given that the Property will be operated properly or successfully. In addition, no person or entity has guaranteed payment of the rent or the performance of the obligations of the Master Tenant under the Master Lease. A significant financial problem with the Property could adversely affect the Master Tenant's ability to satisfy its financial obligations under the Master Lease. Under the Master Lease, the Master Tenant is obligated to pay the Rent and the operating expenditures of the Property (*see* "SUMMARY OF THE LEASES – *Master Lease*") regardless of whether the Property is profitable. If the Property is performing poorly, for whatever reason, the Master Tenant may not be able to pay the Rent. Furthermore, if the Master Tenant is unable to pay the operating expenditures with respect to the Property, then (1) the Property may fall into disrepair, (2) the Master Tenant might be in default under Residential Leases and be subject to remedies provided to Residents under their respective leases, (3) the Trust might be in default under material agreements or easements encumbering the Property (copies of which are available in the Investor Data Room), which may subject the Property to the imposition of lien claims under certain circumstances, or (4) in the event of a failure to pay real estate taxes or assessments, the Property may be subject to foreclosure or seizure by the taxing authority. The Trust's inability to act could require the Administrative Trustee to cause a Transfer Distribution to a Springing LLC in order to address these deficiencies. Prospective Investors must carefully evaluate the personal experience and business performance of the Master Tenant, which is an affiliate of the Sponsor. *See* "SPONSOR AND PRIOR PERFORMANCE."

The Trust may suffer adverse consequences due to the bankruptcy or insolvency of the Master Tenant.

The Trust would be adversely affected if a bankruptcy or similar insolvency proceeding were initiated with respect to the Master Tenant. For example, a bankruptcy trustee appointed for the Master Tenant might attempt to reject one or more Residential Leases. Further, as a result of the automatic stay provided for under the applicable bankruptcy laws, the Trust might not be able to enforce the Master Tenant's obligations under the Master Lease, or reach rental payments being made by Residents to the Master Tenant, which could negatively impact the Trust's ability to receive rent with respect to the Property. In the event of the bankruptcy or insolvency of the Master Tenant, the Trust would be able to terminate the Master Lease and either succeed to the Master Tenant's interest in the Residential

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Leases or negotiate new leases with the Residents. However, due to the nature of the Property and the Residential Leases, if the Trust was unable to obtain a replacement Master Tenant it would have to cause a Transfer Distribution to a Springing LLC to enable it to renegotiate and renew the Residential Leases and enter into new Residential Leases on an ongoing basis. Nevertheless, there is no guarantee that the Trust (or the Springing LLC) would be successful in succeeding to the Master Tenant's interest in the Residential Leases or entering into new Residential Leases.

There is no assurance that the Master Tenant will pay Rent.

There can be no assurance that the Master Tenant will make payments of Base Rent, Additional Rent or Bonus Rent, as such payments are contingent upon the successful operation of the Property.

The Master Tenant relies on the Property Manager to manage the Property.

The Master Tenant has entered into the Property Management Agreement with the Property Manager, a wholly-owned subsidiary of the Sponsor. During the term of the Property Management Agreement, the Property Manager has the exclusive right to manage and operate the Property. The Property Manager may also retain independent contractors, which may be affiliates, to provide services. Accordingly, the prospective Investor should not purchase the Interests unless such prospective Investor is willing to entrust all such aspects of management and operation of the Property to the discretion of the Property Manager. A prospective Investor must carefully evaluate the personal experience and business performance of the principals of the Property Manager. See "MANAGEMENT – *Property Management*" for information regarding the Property Management Agreement and "SPONSOR AND PRIOR PERFORMANCE" for information regarding the Sponsor. If the Property Manager is not successful in operating and managing the Property, then an Investor's Interest may be adversely impacted, and the Investor may not achieve the expected return, if any, on its Interest.

The Sponsor, the Administrative Trustee, the Master Tenant and the Property Manager are subject to various conflicts of interest.

The Sponsor, the Administrative Trustee, the Master Tenant and the Property Manager and their respective affiliates are subject to conflicts of interest between their activities, roles and duties for other entities and the activities, roles and duties they have assumed on behalf of the Trust (or the Master Tenant). Conflicts exist in allocating management time, services and functions between their current and future activities and the Trust. None of the management arrangements or agreements is the result of arm's-length negotiations. *See* "CONFLICTS OF INTEREST" for additional discussion.

Actual results may differ from those targeted in this Memorandum.

The Financial Forecast included in this Memorandum and all other materials or documents supplied by the Trust are based upon current estimates of income and expenses relating to the operation of the Property as well as other assumptions, including the specific assumptions set forth on Exhibit E. The Financial Forecast 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 the Financial Forecast are based are subject to variations that may arise as future events actually occur. There is no assurance that actual events will correspond with these assumptions. Potential Investors are advised to consult with their tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. Any return to the Investors on their investment will depend on the ability of the Administrative Trustee (or the LLC Manager, as applicable), the Master Tenant and the Property Manager to operate the Property profitably and ultimately sell the Property at a profit, which, in turn, will depend upon economic factors and conditions beyond its control. A variety of factors, including, without limitation, any of the following, may cause actual results to differ:

(1) actual expenses may exceed anticipated expenses;

(2) capital expenditures and unanticipated costs may exceed the amount placed in the Reserve Accounts;

(3) rental rates may not reach anticipated levels;

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(4) rent may be collected later than anticipated, due to failure of the Master Tenant or the Residents to make such payments when due; and

(5) the Residents may be entitled to terminate their respective Residential Leases or abate, withhold, reduce or not pay rent in certain circumstances in accordance with the Residential Leases, including certain events of casualty, condemnation, or environmental remediation.

Therefore, the actual results achieved during the life of the ownership of the Property may vary from the Financial Forecast, and the variation may be material. As a result, the rate of return to Investors may be lower than that targeted. Neither the Trust nor any other person or entity makes any representation or warranty as to the future profitability of an investment in an Interest.

Investors may not recover all or any portion of their investment in a sale of the Property.

Any proceeds realized from the sale of the Property will be distributed to the Investors in accordance with their respective Interests, but only after payment of any loan then outstanding on the Property, expenses of the transaction, including a broker's fee and a disposition fee to the Master Tenant, and satisfaction of the claims of any other third-party creditors. The Administrative Trustee will have the exclusive right to retain the listing broker, and accordingly the Investors will have no power to designate a listing broker of their choosing. The ability of the Investor to recover all or any portion of the Investor's investment through a sale will therefore depend on the amount of net proceeds realized from such sale and the amount of claims to be satisfied therefrom. There can be no assurance that the Investors will receive any proceeds from the sale of the Property.

Risks Related to the Offering

There is no public market for the Interests.

An Investor will be required to represent that the Investor is acquiring the Interests for investment purposes and not with a view to distribution or resale, and the Investor can bear the economic risk of investment in the Property for an indefinite period of time. The Interests are being offered and sold pursuant to exemptions from the registration provisions of federal and state law. Accordingly, the Interests are subject to restrictions on transfer. Even if these transfer restrictions expire or are not applicable to a particular Investor, there is no public market for the Interests, and neither the Sponsor nor the Trust will take any steps to develop a market. Investors should expect to hold their Interests for a significant period of time.

The Interests are not registered with the SEC or any state securities commissions.

The Interests have not been, and will not be, registered with the SEC or any state securities commission. The Interests are being offered in reliance upon an exemption from the registration provisions of the Securities Act and state securities laws applicable only to offers and sales to a prospective Investor meeting the suitability requirements set forth herein. Since this is a nonpublic offering and, as such, is not registered under federal or state securities laws, a prospective Investor will not have the benefit of review or comment by the SEC or any state securities commission. The terms and conditions of the Offering may not comply with the guidelines and regulations established for real estate programs that are required to be registered and qualified with those agencies.

If the Trust fails to comply with the requirements of the exemptions related to the Interests, the Trust could suffer material adverse effects.

The Interests are being offered in reliance upon an exemption from the registration provisions of the Securities Act and state securities laws applicable only to offers and sales to a prospective Investor meeting the suitability requirements set forth herein. If the Trust should fail to comply with the requirements of such exemption, Investors may have the right, if they so desired, to rescind their purchase of an Interest. This might also occur under the applicable state securities laws and regulations in states where an Interest will be offered without registration or qualification pursuant to a private offering or other exemption. If this were the case and a number of Investors were successful in seeking rescission, the Trust would face severe financial demands that would adversely affect the Trust as a whole and, thus, the investment in Interests by the remaining Investors.

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Investors will have limited rights under the Purchase Agreement.

In order to acquire the Interests, each Investor will execute the Purchase Agreement, which limits Investor rights by, among other things, eliminating any right to jury trial and mandating that any dispute arising under the Purchase Agreement be subject to binding arbitration. Thus, by making an investment in the Interests, Investors are waiving rights they would otherwise have in a dispute with the Trust or the Sponsor or their affiliates.

An Investment in the Interests is not a diversified investment.

An Investor will acquire the Interests in the Trust, the assets of which consist solely of the Property and the Master Lease. Thus, an investment in the Interests will not be diversified as to the type of asset, geographic location or the tenant mix.

Investors may not realize a return on their investment for years, if at all.

An Investor may not realize a return on the Investor's investment and could lose the entire investment. For this reason, a prospective Investor should carefully read this Memorandum and should consult with the prospective Investor's attorney, tax advisor, and business advisor prior to making the investment.

The Trust is not providing the prospective Investors with separate legal, accounting or business advice or representation.

The Trust, the Administrative Trustee and their respective affiliates are not represented by separate counsel. Further, the Trust's and the Administrative Trustee's counsel and accountants have not been retained, and will not be available, to provide legal counsel, tax advice or accounting advice to prospective Investors.

Certain information is not required to be provided to investors in a private offering.

Since this Offering is a private offering and the Interests are only being offered to accredited investors, certain information that would be required if the Offering were public or not so limited has not been included in this Memorandum. Thus, prospective Investors will not have this information available to review when deciding whether to invest in an Interest.

If all of the Interests are not sold, the Depositor and/or its affiliate will own the unsold Interests, which could result in potential conflicts of interest.

There is no minimum amount of Offering proceeds that must be raised or minimum number of Investors required in connection with this Offering. Accordingly, if the Managing Broker-Dealer is unable to sell all of the Interests, the Depositor and/or its affiliate will own the remaining Interests, provided that the holder of such unsold Interests (whether the Depositor or otherwise) reserves the right to sell or otherwise transfer such unsold Interests, to persons affiliated with the Sponsor or otherwise, whether pursuant to a secondary offering or otherwise. The ownership of the Interests by these entities involves certain risks that potential Investors should consider, including, but not limited to, the fact that there may be conflicts of interest between the objectives of the Investors and those of the Depositor and its affiliates, or, if the Offering is not fully subscribed, that a significant amount of the Interests will not have been acquired by disinterested investors after an assessment of the merits of the Offering.

Tax Risks

There are substantial issues associated with the federal income tax aspects of a purchase of an Interest, especially if the purchase is part of a Section 1031 Exchange. The following risk factors summarize some of the tax risks to an Investor. A further discussion of the tax aspects (including other tax risks) of a purchase of an Interest is set forth under "FEDERAL INCOME TAX CONSEQUENCES." ***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 is strongly encouraged to consult with and rely on his, her or its own tax advisor about the tax aspects of this Offering in light of that Investor's individual situation. No representation or warranty of any kind is made with respect to the IRS' acceptance of the treatment of any item by an Investor.***

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THE DISCUSSION SET FORTH HEREIN IS NOT ADVICE INTENDED TO BE RELIED UPON AND USED, AND CANNOT BE USED BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING ANY PENALTIES IMPOSED ON THE TAXPAYER. THIS SECTION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS CONTEMPLATED BY AND DESCRIBED IN THIS MEMORANDUM. EACH PROSPECTIVE INVESTOR SHOULD SEEK ADVICE BASED ON THE HIS, HER OR ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR CONCERNING THE INCOME AND OTHER TAX CONSEQUENCES OF PARTICIPATION IN THIS INVESTMENT.

Acquisition of the Interests may not qualify as a Section 1031 Exchange.

The Interests may not qualify under Section 1031 for tax-deferred exchange treatment and a portion of the proceeds from an Investor's sale of his, her or its Relinquished Property could constitute taxable "boot" (as defined herein). Whether any particular acquisition of Interests will qualify as a Section 1031 Exchange 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. Neither the Trust nor its affiliates or agents is examining or analyzing any prospective Investor's circumstances to determine whether it qualifies under Section 1031. 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 should consult with his, her or its own legal, tax, accounting and financial advisors before purchasing an Interest. If the factors surrounding a prospective Investor's disposition of the Relinquished Property and his, her or its 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. *See* the Tax Opinion attached hereto as Exhibit D. Also, merely designating an Interest in connection with an Investor's Section 1031 Exchange does not assure the Investor that there will be Interests available to purchase when the Investor executes the Investor Questionnaire and Purchase Agreement and actually causes his, her or its qualified intermediary to transfer funds to complete the purchase of the Interests.

On July 20, 2004, the IRS issued Revenue Ruling 2004-86, 2004-2 C.B. 191, which held that, assuming the other requirements of Section 1031 are satisfied, a taxpayer's exchange of real property for an Interest in the Delaware statutory trust described in the ruling (the "**DST**") satisfies the requirements of Section 1031. The IRS based its holding on the following conclusions: (1) the DST is treated as an entity separate from its owners (and not as a co-ownership or agency arrangement); (2) the DST is an "investment" trust and not a "business entity" for federal income tax purposes; (3) 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 (4) the holders of interests in the DST are treated as directly owning interests in real property held by the DST. Because the holding of Revenue Ruling 2004-86 is based on certain factual assumptions regarding the DST, not all of which apply to the Trust, and because there are provisions in the Trust Agreement which 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 Section 1031. For example, the facts in the ruling neither expressly permit nor prohibit: (a) conversion of the DST to a limited liability company; (b) the fact that the Administrative Trustee is related to the Depositor; (c) any Interest retained by the Depositor or its affiliates; or (d) the leasing of the Property by the Trust pursuant to the Master Lease to the Master Tenant, which is a special purpose entity affiliated with the Sponsor, including the mechanism set forth in the Master Lease for the calculation of the Rent payable by the Master Tenant to the Trust.

A delayed closing on the acquisition of an Interest could adversely affect the qualification of an exchange under Section 1031.

Investors who are completing Section 1031 Exchanges should be aware that closing on their replacement property must occur before the earlier of: (1) the day which is 180 days after the date on which the taxpayer transferred the Relinquished Property in the exchange; or (2) the due date (determined with regard to extension) for the transferor's return for the taxable year in which the transfer of the Relinquished Property occurs. No extensions will be granted or other relief afforded to taxpayers who do not satisfy this requirement. Therefore, a delayed closing on the acquisition of an Interest could adversely affect the qualification of a Section 1031 Exchange.

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Replacement property identification rules are complex and may be strictly construed.

Strictly construed, Section 1031 generally permits taxpayers to identify up to three replacement properties (the "**three-property rule**"), without regard to the fair market value of those properties. In addition, taxpayers may identify any number of properties so long as their aggregate fair market value at the end of the identification period does not exceed 200% of the value of the Relinquished Property on the date it was transferred (the "**200% rule**"). If the three-property rule and 200% rule are violated, an Investor will still be treated as properly identifying any replacement property identified before the end of the identification period and received before the end of the exchange period if the fair market value of the replacement property received is at least 95% of the aggregate fair market value of all identified replacement property. These identification rules are strictly construed and your exchange will be totally disqualified if you fail to comply with these requirements or do not meet the applicable deadlines under Section 1031. Prospective Investors should consult with their own tax advisors prior to identifying the Interests as replacement property.

Funds from a Section 1031 Exchange may not be used for certain costs associated with the Property.

Under certain conditions, closing and carrying costs, loan fees and costs, leasing reserves and other reserves, may not constitute property that is like-kind to real property for purposes of Section 1031. The Sponsor has attempted to structure the offering of the Interests so that such costs will be incurred by the Sponsor in connection with its syndication and offering of the Interests. You must consult your own tax advisor regarding the proper tax treatment of these costs.

State laws may differ.

Some states adopt 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. Therefore, each Investor must consult his, her or its own tax advisor as to the qualification of a transaction for deferral of gain under state law.

The conversion of the Trust to a Springing LLC or the contribution of the Property to a Springing LLC may have adverse tax consequences to Investors.

If the Trust is converted to a Springing LLC, the "Trust Property" (as defined in the Trust Agreement) or applicable portion thereof will be transferred from the Trust to the Springing LLC and the membership interests in the Springing LLC will be held by the Investors. It is anticipated that the Administrative Trustee will serve as the manager of the Springing LLC. Under current law, such a transfer generally should not be subject to federal income tax pursuant to Code Section 721. The Transfer Distribution could be subject, however, to state or local income, transfer or other taxes. In addition, there can be no assurances that the transfer will not be taxable under the federal income or other tax laws in effect at the time the transfer occurs. Because the conversion of the Trust to (or the formation of) a Springing LLC could occur in several situations, it is not possible to determine all of the potential tax consequences to the Investors.

If the Trust is converted into a Springing LLC or the Property is contributed to a Springing LLC, the Investors' membership interests in the Springing LLC will not qualify for tax-deferred exchange treatment under Section 1031.

If the Trust is converted to a Springing LLC, the Investors will hold membership interests in the Springing LLC, which cannot be transferred in an exchange that qualifies for tax-deferred exchange treatment under Section 1031. If, after the conversion of the Trust into a Springing LLC or the formation of a Springing LLC, the Investors wish to engage in a tax-deferred exchange of their indirect interests in the Property held by the Springing LLC, the LLC Manager may be able to convert the Investors' interests in the Springing LLC into (or exchange them for) direct interests in the Property or adopt some other tax strategy to accomplish the tax-deferred exchange. However, there can be no guarantee that this can or will be accomplished.

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The conversion of the Trust in whole or in part to a tenancy in common arrangement may have adverse tax consequences to Investors

If no obligation evidenced or secured by the Loan Documents remains outstanding, or the Loan Documents do not prohibit a direct distribution of the Property to the Investors, in lieu of a conversion of the Trust (in whole or in part) to a Springing LLC, the Trust may be converted to a tenancy in common arrangement (a "**TIC Arrangement**," and such conversion, a "**TIC Conversion**"). In the event of a TIC Conversion, the Administrative Trustee would distribute the Property to the Investors and establish a co-ownership agreement and other agreements governing the TIC Arrangement and the Investors' ownership of the Property that, as determined in its sole discretion, are materially consistent with the terms and conditions set forth in IRS Revenue Procedure 2002-22 or such other IRS guidance as may apply to the treatment of a TIC Arrangement as the direct ownership of its underlying property. Nevertheless, there can be no assurance that the TIC Arrangement would not be classified as a partnership (rather than as direct undivided ownership of the Property) if challenged by the IRS.

Any amounts treated as "boot" will be taxable to Investors.

If, in a Section 1031 Exchange, money is received or deemed received in addition to the like-kind property (referred to as "**boot**"), then gain on the Relinquished Property is recognized up to the amount of boot. Although there is no direct authority on point (other than certain potentially favorable authority that allows taxpayers to treat certain transaction expenses as reducing amounts otherwise taxable as boot in a Section 1031 Exchange), prospective Investors should be aware that the IRS may take the position that certain costs paid or deemed paid from money received from the sale of the Relinquished Property are boot and, therefore, income to the Investors. For example, the IRS may contend that some amounts paid into the Reserve Accounts and amounts paid in connection with the Offering constitute boot received by the Investors and not a reinvestment in real estate.

Passive activity, at risk, and excess business loss rules may limit losses.

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 passive activities, including interest deductions attributable to passive activities generally may only be used to offset passive income. Passive activities include: (1) any activity which involves the conduct of any trade or business and in which the taxpayer does not "materially participate" (a statutorily-defined test); and (2) rental activities (subject to an exception for taxpayers who qualify as real property operators under certain statutory tests). Subject to satisfaction of the real property operator test and the material participation test, an Investor's income and loss from an investment in an Interest, if any, will constitute income and loss from passive activities. However, the rules regarding the deductibility of passive losses (whether from an investment in an Interest, or from another passive activity that potentially could be used to offset income from an investment in an Interest) are complex and vary with the facts and circumstances particular to each Investor. Prospective Investors should consult their tax advisors with respect to the tax consequences to them of the rules described above.

In addition, an Investor 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 the Investor is considered "at risk" under the Code. Losses not allowed under the at-risk provisions may be carried forward to subsequent tax years and used when his, her or its amount "at risk" increases or when the Investor generates gain on the disposition of the activity. However, the rules regarding the applicability of the at risk rules to a particular Investor are complex and vary with the facts and circumstances particular to each Investor. Prospective Investors should consult their tax advisors with respect to the tax consequences to them of the rules described above.

In addition, under Pub. L. 115-97 (commonly referred to as the "Tax Cuts and Jobs Act of 2017") (the "**TCJA**"), excess business losses of a taxpayer other than a corporation are not allowed for the taxable year. 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 for 2021 is $262,000 (or twice the applicable threshold amount in the case of a joint return). The threshold amount is indexed for inflation. In the case of a partnership or S corporation, the provision applies at the partner or shareholder level. The provision applies after the application of the passive loss rules.

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In order to avoid limitations on interest deductions arising from the Loan, an Investor may be required to make a special tax election, which may reduce depreciation deductions available to the Investor in the absence of such election.

The Trust is expected to pay a considerable amount of interest with respect to the Loan, and each Investor will be considered to have paid his, her or its *pro rata* share of such interest. However, pursuant to certain provisions of the TCJA that impose limitations on the deduction of business interest (the "**Business Interest Limitation**"), business interest deductions (including deductions for interest on the Loan) for certain Investors with average annual gross receipts in excess of $25 million are, in general, deferred to the extent that they exceed the sum of 30% of the Investor's "adjusted taxable income" ("**ATI**," and such limit, the "**ATI Limit**") plus certain types of business interest income of the Investor. See "FEDERAL INCOME TAX CONSEQUENCES – *Limit on Business Interest Deductions."* for further information on how the $25 million annual gross receipts test is calculated.

For federal income tax purposes generally, and for purposes of the Business Interest Limitation in particular, because the Trust is classified as a fixed investment trust and a grantor trust (and thus is not itself a "taxpayer" for such purposes), the Business Interest Limitation applies, if at all, to Investors and not to the Trust. **Accordingly, the Business Interest Limitation will not apply to the Trust and will only apply to Investors that have average annual gross receipts from their trades or businesses in excess of $25 million.**

Investors to whom the Business Interest Limitation applies may nevertheless avoid it by making an election (the "**Real Property Business Election**") to treat their Interests in the Trust (separately or together with other interests in real property that the Investors may own) as an electing real property trade or business. By making a Real Property Business Election with respect to an Interest, the Investor's share of any interest paid or accrued on the Loan will not be subject to the Business Interest Limitation. However, Investors that make a Real Property Business Election with respect to their Interests will be required to depreciate their *pro rata* share of the Property (to the extent depreciation is available in respect of their *pro rata* share of the Property) using the straight line method under longer recovery periods (from 39 years to 40 years for nonresidential property, from 27.5 years to 30 years for residential real property, and from 15 years to 20 years for qualified improvement property). In addition, to the extent Investors' Interests (*i.e.*, their *pro rata* share of the Property) would otherwise have been eligible for bonus depreciation deductions under Code Section 168(k), they will be ineligible to claim such deductions with respect to such property.

Investors should consult their own tax advisors regarding whether the Business Interest Limitation is applicable to them and whether they should make the Real Property Business Election with respect to their Interests or otherwise in light of their specific circumstances. *See* "FEDERAL INCOME TAX CONSEQUENCES – *Limit on Business Interest Deductions*."

Income and gain from passive activities may be subject to the Medicare contributions tax.

Certain Investors who are U.S. individuals, estates, or trusts (including those that would own their Interests through an entity treated as a partnership or S corporation for U.S. income tax purposes) are subject to the Medicare Contributions Tax, which imposes a 3.8% tax on the lesser of (1) "net investment income" for the relevant taxable year and (2) the excess of modified adjusted gross income for the taxable year over a certain threshold of certain U.S. individuals and on the lesser of (a) the undistributed "net investment income" for the relevant tax year and (b) the excess of the "adjusted gross income" for such taxable year over the dollar amount at which the highest tax bracket in Code Section 1(e) begins for such taxable year of certain estates and trusts. Among other items, "net investment income" generally includes passive investment income, such as rent and net gain from the disposition of investment property, less certain deductions. Prospective Investors should consult their tax advisors with respect to the tax consequences to them of the rules described above.

An Investor may need to use funds from other sources to satisfy tax liabilities.

It is possible that an Investor's taxable income resulting from his, her or its Interest will exceed any distribution of cash attributable thereto. This may occur because cash flow from the Property may be used to fund nondeductible operating or capital expenses of the Property, including reserves and payments of principal on the Loan, that are not offset by depreciation or other deductions. Thus, there may be years in which an Investor's tax liability exceeds its share of cash from the Property. In addition, a sale or exchange of the Property at an economic loss without a Section 1031 Exchange could result in ordinary income, depreciation recapture or capital gain to an Investor without

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any accompanying net cash proceeds from the sale or disposition of the Property to pay income taxes on such items. This is a particular risk for certain Investors, such as persons acquiring an Interest in a Section 1031 Exchange, whose income tax basis in an Interest may be substantially lower than his, her or its cash investment in the Property. If this were to occur, an Investor would have to use funds from other sources to satisfy his, her or its tax liability.

Future legislative or regulatory action could significantly change the tax aspects of an investment in an Interest.

The discussion of tax aspects contained in this Memorandum is based on law presently in effect and certain proposed Regulations. Investors should be aware that new administrative, legislative or judicial action could significantly change the tax aspects of an investment in an Interest. For example, in April 2021, President Biden proposed tax law changes that would, among other things, significantly increase capital gains tax rates for wealthy taxpayers for transactions undertaken after April 2021, and significantly limit the ability for taxpayers to undertake Section 1031 Exchanges from and after January 1, 2022. Any tax law changes, whether with respect to the proposed legislation described in the prior sentence or otherwise, may 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 the tax consequences of an investment in an Interest.

ERISA Risks

ERISA and Code Section 4975 impose certain fiduciary restrictions, including prohibited transaction restrictions, on funds that hold "plan assets."

The DOL Plan Asset Rules provide that, subject to certain exceptions outlined in the rules, the assets of an entity (such as the Trust) in which a Benefit Plan Investor holds an ownership interest may be treated as assets of an investing plan, in which event the assets of the Trust (and transactions involving such assets, such as a sale of the Property) would be subject to ERISA's fiduciary provisions, including any prohibited transaction provisions under ERISA or Code Section 4975. One of the exceptions in the Plan Asset Rules will apply if ownership in the Trust is limited so that only a percentage of the Interests that is less than 25% may be owned by Benefit Plan Investors. The Sponsor and the Administrative Trustee will use reasonable best efforts to qualify the Trust for this exception to the Plan Asset Rules. If, nevertheless, Benefit Plan Investors acquire 25% or more of the Interests and the Plan Asset Rules apply to the Trust, ERISA's fiduciary standards and prohibited transaction rules would apply to the operation of the Trust, which would likely impose substantial additional compliance expenses upon the Trust, thereby potentially reducing amounts distributable by the Trust to the Investors. Finally, if the Trust is subject to the Plan Asset Rules and is not able to comply with ERISA or Code Section 4975, Benefit Plan Investors may be at risk of breaching fiduciary duties owed to their sponsoring plan.

Employee benefit plans such as governmental and non-United States plans, while not subject to ERISA, may be subject to laws regulating employee benefit plans that contain rules substantially similar to ERISA and may contain other rules relating to permissible investments. Such plans should conclude that an investment in the Interests would satisfy all such laws before making such an investment (and, as indicated above, may be required to make certain assurances to the Trust).

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COMPENSATION OF THE SPONSOR AND ITS AFFILIATES

The following is a description of compensation that may be paid to the Sponsor, the Depositor, the Administrative Trustee, the Master Tenant, the Property Manager, or their respective affiliates during the period of the Trust's ownership of the Property or in connection with the Offering. These compensation arrangements are not the result of arm's-length negotiations.

Because of the nature of a Section 1031 Exchange and applicable IRS requirements, it is difficult, if not impossible, to charge Investors for any shortfall in costs and expenses related to the Offering that are paid out of the gross Offering proceeds. If the actual costs and expenses exceed the estimates, the Depositor will pay those costs. Conversely, if the estimates exceed the actual costs and expenses, the Depositor will retain the difference as compensation.

For purposes of this table, the amount of the commissions and fees set forth below are calculated based on the Maximum Offering Amount of $41,798,470, which represents 99% of the Interests.

Form of Compensation	Description	Estimated Maximum Amount of Compensation (Based on 99% of Interests Sold in this Offering)
	ACQUISITION, OFFERING AND ORGANIZATION STAGE	
Reimbursement of Offering and Organizational Expenses:	The Trust will reimburse the Depositor and certain affiliates and third parties for offering and organizational expenses incurred by such parties.	$4,184,251
Reimbursement of Acquisition and Financing Costs:	The Trust will reimburse certain affiliates of the Sponsor for due diligence and closing costs related to the acquisition and financing of the Property.	$271,295
Reimbursement of Lender Processing Fee:	The Trust will reimburse the Depositor in respect of funding provided at the closing of the Property to fund the Lender Processing Fee.	$354,939
Financing Fee:	The Trust will pay the Sponsor a financing fee equal to 1.00% of the Loan amount for services it has rendered to the Trust in connection with the Loan.	$434,392
Bridge Equity Fee:	The Trust will pay TREG Bridge Partners the Bridge Equity Fee, which equals approximately 7% of the funds TREG Bridge Partners was required to invest in the Trust to enable the Trust to acquire the Property and as compensation to TREG Bridge Partners for providing the funds needed by the Trust to acquire the Property.	$2,197,709
Acquisition Fee:	The Trust will pay the Sponsor or an affiliate an acquisition fee for its services in acquiring the Property.	$1,282,050
Asset Management Fee:	The Trust will pay the Sponsor a one-time asset management fee for rendering asset management services to the Trust for the duration of the Trust's ownership of the Property.	$1,282,050

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Form of Compensation	Description	Estimated Maximum Amount of Compensation (Based on 99% of Interests Sold in this Offering)
	OPERATING STAGE	
Master Tenant Operating Revenue:	The Master Tenant is entitled to retain as profit the net after tax positive difference between its income from Residential Leases and its payment obligations under the Master Lease.	Impracticable to determine at this time.
Reimbursement of Expenses to Administrative Trustee:	The Administrative Trustee may seek reimbursement for reasonable and necessary expenses paid or incurred by the Administrative Trustee in connection with the administration of the Trust.	Impracticable to determine at this time.
Property Management Fees:	The Master Tenant is required to pay to the Property Manager the following fees: (1) a monthly management fee equal to 4% of the gross income generated by the Property during the applicable month; (2) a one-time setup fee equal to $1,000; (3) monthly ancillary fees equal to $435 for training, accounting software, IT service and other costs; (4) after the date of termination of the Property Management Agreement, a close-out management fee equal to 50% of the prior month's management fee; and (5) if construction management services with respect to renovations or deferred maintenance work at the Property are requested by the Master Tenant, the compensation for such services will be governed by a separate agreement to be executed at that time. Additionally, the Master Tenant is responsible for reimbursing the Property Manager for all expenses paid or incurred by the Property Manager in providing services under the Property Management Agreement, in accordance with the approved budget and the terms of the Property Management Agreement.	Impracticable to determine at this time.
Trust Cash Flow:	The Depositor and/or any other affiliate of the Sponsor that owns Interests in the Trust, including with respect to the 1.0% Interest in the Trust that is not being sold in this Offering, will receive its share of distributions from the Trust while it owns Interests.	Impracticable to determine at this time.

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Form of Compensation	Description	Estimated Maximum Amount of Compensation (Based on 99% of Interests Sold in this Offering)
	LIQUIDATION STAGE	
Disposition Fee on Sale of the Property:	Upon the sale of the Property, subject to the Loan Documents, the Master Tenant will be entitled to a disposition fee equal to 1.0% of the gross sales price of the Property, subject to reduction or elimination as set forth in the Master Lease.	Impracticable to determine at this time.

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CONFLICTS OF INTEREST

Conflicts of Interest

The Sponsor, the Administrative Trustee, the Master Tenant, the Property Manager and their respective principals and affiliates will act as the manager, advisor, controlling party or sponsor of other Delaware statutory trusts, limited liability companies, partnerships and other entities from time to time. These other entities will own properties similar to the Property, which may compete with the Property, and may acquire additional properties in the future that may also compete with the Property. The Sponsor, the Administrative Trustee, the Master Tenant, the Property Manager and their respective principals and affiliates also have existing responsibilities and, in the future, may have additional responsibilities, to provide management and services to a number of other entities. The principal areas in which conflicts are anticipated to occur are as follows.

The Property may compete with other properties owned or managed by the Sponsor or its affiliates.

The Sponsor or its affiliates may own, operate or manage additional properties that compete with the Property. If an affiliate were to acquire a multifamily development in the vicinity of the Property, such property may compete with the Property for available tenants and could attract tenants that would otherwise rent units at the Property.

The landlord-tenant relationship between the Administrative Trustee and the Master Tenant may lead to a conflict of interest.

The Master Tenant and the Administrative Trustee are affiliates of the Sponsor. This may lead to a conflict of interest between their roles under the Master Lease. For example, there would be a conflict of interest if the Master Tenant was in breach of the Master Lease because only the Administrative Trustee would have authority on behalf of the Trust to enforce the Master Lease against the Master Tenant. In such a situation, the interests of the Administrative Trustee may not be aligned with the interests of the Investors.

The efforts and time of the Sponsor, the Administrative Trustee, the Master Tenant and the Property Manager will not be solely dedicated to the Trust.

The Sponsor, the Administrative Trustee, the Master Tenant, the Property Manager and their respective principals and affiliates may engage for their own account, or for the account of others, in other business ventures. The interest in such other activities will not necessarily be directed to or consistent with the Trust.

Principals of the Sponsor, the Administrative Trustee and the Master Tenant may have conflicts of interest in allocating management time, services and functions among the various entities with which they are engaged.

Principals of the Sponsor, the Administrative Trustee, the Master Tenant, and their respective affiliates may have obligations to other entities. Therefore, these individuals may have conflicts of interest in allocating management time, services and functions among the various entities with which they are engaged and others that may be organized in the future. If these persons are unable to devote sufficient time or resources to the Trust due to the competing demands of the other entities, they could harm the implementation of the Trust's business strategies. If the Trust does not successfully implement its business strategies, it may be unable to maintain or increase the value of the Property, and its operating cash flows and ability to pay distributions could be adversely affected.

The Property Manager is subject to additional conflicts of interest.

The Property Manager is subject to conflicts of interest among its activities, roles and duties for other entities and the activities, roles and duties it has assumed, or will assume, on behalf of the Master Tenant. Conflicts exist in allocating management time, services and functions between its current and future activities and the Property. If the Property Manager or any of its affiliates were to acquire or manage a multifamily development in the vicinity of the Property, then the Property Manager could direct Residents away from renewing their Residential Leases and toward leasing units at such other property; provided, however, the Property Management Agreement requires the Property Manager to use diligent efforts in accordance with customary business practices to maximize occupancy at the Project.

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The Trust does not have arm's-length agreements with the Administrative Trustee or the Master Tenant.

The agreements and arrangements with the Administrative Trustee and the Master Tenant were not negotiated at arm's-length. These agreements may contain terms and conditions that are not in the Trust's best interest or would not be present if the Trust entered into arm's length agreements with third parties.

The Sponsor, the Administrative Trustee and the Master Tenant face conflicts of interest caused by their compensation arrangements with the Trust.

The Sponsor, the Administrative Trustee and the Master Tenant will receive certain compensation for services rendered regardless of whether distributions are paid to Investors.

The Trust, the Master Tenant and the Sponsor share legal representation.

Counsel to the Trust, the Administrative Trustee, the Master Tenant and the Sponsor in connection with this Offering is the same, and it is anticipated that such representation will continue in the future. As a result, conflicts may arise in the future.

If all of the Interests are not sold, the Depositor and/or its affiliate will own the unsold Interests.

There is no minimum amount of Offering proceeds that must be raised or minimum number of Investors required in connection with this Offering. Accordingly, if the Managing Broker-Dealer is unable to sell all of the Interests, the Depositor and/or its affiliate will own the remaining Interests, provided that the holder of such unsold Interests (whether the Depositor or otherwise) reserves the right to sell or otherwise transfer such unsold Interests, to persons affiliated with the Sponsor or otherwise, whether pursuant to a secondary offering or otherwise. The financial obligations and interests of the Sponsor and its affiliates may not always be consistent with those of the other Investors. *See* "RISK FACTORS – *Risks Related to the Offering – If all of the Interests are not sold, the Depositor and/or its affiliate will own the unsold Interests, which could result in potential conflicts of interest.*"

Resolution of Conflicts of Interest

The Sponsor, the Administrative Trustee, the Master Tenant, and the Property Manager have not developed, and do not expect to develop, any formal process for resolving conflicts of interest. Although the foregoing conflicts could materially and adversely affect the Property, the parties, in their sole judgment and discretion, will try to mitigate such potential adversity by the exercise of their business judgment in an attempt to fulfill their obligations. There can be no assurance that such an attempt will prevent adverse consequences resulting from the numerous conflicts of interest.

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SPONSOR AND PRIOR PERFORMANCE

IN CONSIDERING THE TRACK RECORD AND EXPERIENCE OF THE SPONSOR AND PRINCIPALS DESCRIBED BELOW, PROSPECTIVE INVESTORS SHOULD KEEP IN MIND THAT PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS, AND THERE CAN BE NO ASSURANCE THAT THE PROPERTY WILL ACHIEVE ANY CERTAIN RESULTS IN THE FUTURE.

Overview

The Sponsor of this Offering is Trilogy Real Estate Group, LLC, a Delaware limited liability company. The Sponsor is a vertically-integrated real estate investment company that targets multifamily assets in primary and secondary U.S. markets. The Sponsor's business purpose is to own, develop, lease, manage and sell real property, directly or indirectly, and to perform management, leasing, development, brokerage and other services with respect to real property owned the Sponsor or its affiliates. The Sponsor is managed by TREG Manager, LLC, a Delaware limited liability company, which is controlled and managed by Neil Gehani. Collectively, since its inception in 2008, the company has acquired 27 apartment communities in 10 states, totaling 8,270 units. As of May 31, 2021, it owned 5,017 units in 17 apartment communities. Its portfolio spans six Midwest states as well as Tennessee, Kentucky, Oklahoma, and Florida. To date, the Sponsor has sponsored nine private real estate investment programs.

Between 2009 and 2014, the Sponsor launched three successive value-add multifamily funds: Trilogy Multifamily Fund, LP ("**MF Fund I**"); Trilogy Multifamily Fund II, LP ("**MF Fund II**"); and Trilogy Multifamily Fund III, LP ("**MF Fund III**" and collectively with MF Fund I and MF Fund II, the "**MF Funds**"). The MF Funds were designed to invest in and operate undervalued and underperforming Class A and B multifamily properties and to deliver superior risk-adjusted rates of return through active repositioning strategies and renovations. In general, these funds targeted acquisitions that could generate annual returns of 15-17% over a five- to seven-year holding period.

In 2015, the Sponsor stopped investing in value-add multifamily real estate because the spread in capitalization rates between value-add multifamily assets and core multifamily assets had narrowed, thereby eliminating some of the potential upside that could be realized through investments in the former. Instead, the Sponsor used this opportunity to sell or refinance several of its multifamily assets. In 2018, it completely liquidated MF Fund I and extended the terms of MF Fund II and MF Fund III to focus on long-term, tax-efficient appreciation.

Beginning in 2014, the Sponsor launched two successive long duration "legacy" funds to invest in new Class A core and core-plus multifamily assets, namely Trilogy Legacy Fund, LP ("**Legacy Fund I**") and Trilogy Legacy Fund II, LP ("**Legacy Fund II**" and collectively with Legacy Fund I, the "**Legacy Funds**"). The Legacy Funds have the flexibility to invest in equity and mezzanine debt in real estate development projects and to acquire new assets while locking in long-term debt at historically low interest rates. The typical hold period for assets in the Legacy Funds is in excess of 10 years, which results in a lower internal rate of return ("**IRR**") but produces consistent distributable income during the hold period, strong equity multiples, and tax efficiency upon refinancing and disposition.

In December 2018, the Sponsor launched Trilogy Opportunity Zone Fund, LP (the "**OZ Fund**") to develop and manage multifamily and commercial real estate in "qualified opportunity zones."

In 2020, the Sponsor launched Trilogy Riverset DST, the Sponsor's first Delaware Statutory Trust ("**DST**") investment program. Additionally, the Sponsor launched Trilogy Multifamily Fund IV ("**MF Fund IV**") to pursue investment opportunities arising from dislocations in the multifamily real estate market and associated distressed situations. And finally, in June 2020, the Sponsor formed Trilogy Multifamily Income & Growth Holdings I, LLC to invest in multifamily properties.

The OZ Fund, the DST, MF Fund IV, the MF Funds and the Legacy Funds are referred to collectively as the "**Trilogy Funds**." See "*Prior Performance of the Sponsor*" below for additional information about the Trilogy Funds.

The Sponsor believes that its two key competitive advantages are its "opportunistic" and "nimble" approach to the market. The former advantage refers to the Sponsor's goal of seeking out overlooked assets and markets; this is demonstrated best through the implementation of the value-add strategy across the MF Funds. The second advantage refers to the Sponsor's ability to react quickly to changing market dynamics. This is demonstrated through the various

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investment strategies implemented by the Sponsor and its founders over its history: from condominium conversions, to value-add investing, and then to core and core-plus investing. Moreover, with a stable and committed investor base, the Sponsor has been able to raise and deploy capital quickly. On this point, the Sponsor's existing investor base consists of a network of approximately 70 ultra-high net worth individuals. Among its investors, the principals, their affiliates and Sponsor employees represent the single largest investor block in the Trilogy Funds.

The Sponsor also attributes its success to its vertically-integrated business structure. Its in-house asset and property management, construction management and development teams allow the Sponsor to maximize operating and investment performance. Property management is carried out by the Sponsor's wholly-owned property management company, Trilogy Residential Management, LLC, which currently manages the Sponsor's entire portfolio of multifamily assets (including the Property), totaling over 5,000 units.

Neither the Sponsor nor any of its subsidiaries or affiliates acts in any way as a guarantor of a return on or of the capital invested by any Investor pursuant to this Offering. This description of the Sponsor and its affiliates and references thereto is strictly for informational purposes only.

Management of the Sponsor

The following are certain executives of the Sponsor that are involved with this Offering and the management of the Trust.

Name	Title
Neil Gehani	Founder and Chief Executive Officer
Clayton Hanson	President
Girish Gehani	Chief Operating Officer
Jesse Karasik	Chief Investment Officer
Matt Leiter	Chief Financial Officer
Maura O'Connor	Chief Accounting Officer
Preeti Bamra	Chief Administrative Officer
Bryan Farquhar	Chief Development Officer

Neil Gehani, Founder and Chief Executive Officer. Mr. Gehani co-founded the Sponsor in 2008 with his brother Girish Gehani and David DiSanto. He focuses on the strategic direction of the firm and fundraising. Through several investment cycles, Mr. Gehani has developed, acquired, and redeveloped commercial real estate and over 10,000 apartment units accounting for over $4.0 billion in transaction volume. Prior to founding the Sponsor, Mr. Gehani practiced real estate and tax law with Arthur Andersen (2000-2001) and then KPMG LLP (2002-2003). His clients included buyers and sellers of residential and commercial real estate, real estate developers, and condominium associations. Mr. Gehani received a Juris Doctor and an LLM in Taxation from the Boston University School of Law and a Bachelor of Business Administration from Michigan State University's Eli Broad College of Business.

Clayton Hanson, President. Mr. Hanson joined the Sponsor in May 2018 and is responsible for the day-to-day management of its business and the development and implementation of its strategic initiatives. Prior to joining the Sponsor, Mr. Hanson was a Managing Director at Maverick Capital, a multi-billion dollar investment firm. While at Maverick Capital, he helped oversee a $1.3 billion hedge fund portfolio. Mr. Hanson began his career as an Investment Banking Analyst at Goldman Sachs. He holds a Bachelor of Business Administration in Real Estate and Finance from the University of Wisconsin-Madison.

Girish Gehani, Chief Operating Officer. Mr. Gehani co-founded the Sponsor with his brother Neil Gehani and David DiSanto. Mr. Gehani is responsible for running Trilogy Residential Management, LLC and also participates in acquisition due diligence and asset and construction management. From 2005 to 2008, Mr. Gehani worked for his brother at Monaco Development, and prior to that he worked in corporate finance for the Motorola Corporation. Mr.

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Gehani received a Master of Real Estate Finance from the New York University Schack Institute of Real Estate and a Bachelor of Arts in Finance from Michigan State University's Eli Broad School of Business.

Jesse Karasik, Chief Investment Officer. Mr. Karasik joined the Sponsor in 2011 and focuses on the investment direction of the firm and capital markets. Over his career, Mr. Karasik has executed and closed over $3 billion of real estate transactions across the United States. Prior to joining the Sponsor, Mr. Karasik was with CBRE Capital Markets ("**CBRECM**") for seven years (from 2004 to 2011) procuring equity and debt on behalf of institutional and private real estate investors. In fact, the Sponsor was one of Mr. Karasik's clients during his tenure at CBRECM. Prior to CBRECM, Mr. Karasik helped run a family-owned real estate business. Mr. Karasik holds a Bachelor of Science in Finance and Real Estate from Indiana University's Kelley School of Business.

Matt Leiter, Chief Financial Officer. Mr. Leiter joined the Sponsor in December 2019 and is responsible for the Sponsor's investment product strategy and investment operations. In addition, he manages the investment products sales and distribution teams for the Sponsor's investment offerings. Mr. Leiter has worked in the investment product development and distribution space for 15 years, most recently working as Senior Vice President – Equity Markets for GK Development, Inc., a real estate acquisition, development and management company. Prior to GK Development, Mr. Leiter was a Partner and the General Manager at a Florida real estate development firm that focused on mixed-use and multi-family projects. Mr. Leiter received a Bachelor of Science from the University of Illinois at Champaign - Urbana and a Master of Business Administration from the Booth School at the University of Chicago.

Maura O'Connor, Chief Accounting Officer. Ms. Connor joined Trilogy in September 2017 and was promoted to her current position in January 2021. She has extensive experience in business management, financial services, consulting, and accounting, across a wide variety of industries, including real estate and construction, venture capital, manufacturing, and banking. Prior to joining Trilogy, Ms. O'Connor was a Senior Vice President–Life Equity Program at Merchants and Manufacturers Bank. Additional prior experience includes financial reporting and tax return preparation for a semi-custom homebuilder, as well as nine years in public accounting. Ms. O'Connor holds a BS in Accounting and a Master of Accountancy from DePaul University in Chicago. Ms. O'Connor is a Certified Public Accountant and Member of the American Institute of Certified Public Accountants.

Preeti Bamra, Chief Administrative Officer. Ms. Bamra joined Trilogy in April 2013 and was promoted to her current position in February 2021. She oversees the overall operations of Trilogy to ensure that each department is performing effectively. She has over 15 years of people management experience and has gained extensive human resources knowledge by working in the banking, manufacturing, information technology, and commercial real estate industries. Prior to joining Trilogy, Ms. Bamra was a Human Resources Manager at Ahead, LLC, an information technology company. Her previous experience includes payroll processing, worker's compensation, unemployment filings, and employee relations. Ms. Bamra holds a BS in Information and Decision Sciences (IDS) from the University of Illinois in Chicago.

Bryan Farquhar, Chief Development Officer. Mr. Farquhar joined the Sponsor in April 2019 and is responsible for identifying, procuring and executing real estate development transactions. Mr. Farquhar has been involved with the development of over 2,000 multifamily and student housing units and has developed and leased over four million square feet of office and retail space. Prior to joining the Sponsor, Mr. Farquhar was the Director of Real Estate Development for The Opus Group ("**Opus**") in Chicago. While at Opus, he successfully reestablished their Chicago office development presence and initiated their suburban Chicago multifamily platform. Prior to Opus, Mr. Farquhar was with The Alter Group, where he was responsible for procuring and executing student housing and office transactions. Mr. Farquhar holds both a Bachelor of Arts and a Master of Business Administration in Finance from Western Michigan University.

Prior Performance of the Sponsor

The information presented in this section represents the historical experience of real estate programs sponsored by the Sponsor. Investors in this Offering should not assume that they will experience returns, if any, comparable to those experienced by investors in such prior real estate programs. Investors will not acquire any ownership interest in any of the entities to which the following information relates.

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Table 1: Program Dispositions

In the table below, the "**Offering Price**" of a program represents the price paid by the program for the property or properties, plus all estimated costs and expenses related to the acquisition and financing and all estimated costs and expenses related to the offering. "**Equity Multiple**" is calculated by dividing the sum of amounts distributed to investors over the hold period of the investment plus the net sale proceeds returned to the investors, by the investors' capital invested in the program. The "**Average Annual Rate of Return**" represents the average annual amount of cash flow generated over the life of an investment and is calculated as the total return divided by the investment period.

Program Name	Program Offering Date/ Acquisition Date	Program Termination Date/ Property Sale Date	Hold Period (Years)	Offering Price/ Purchase Price	Property Sales Price	Average Annual Rate of Return	Equity Multiple
Trilogy Multifamily Fund, LP [(1)]	6/1/2009			$144,575,000	$228,775,000	24.5%	2.97x
Summit Ridge – Denver, CO	12/15/2009	9/14/2011	1.7	$22,700,000	$31,150,000	72.3%	2.26x
Valley Creek – Woodbury, MN	8/11/2010	5/14/2015	4.8	$33,400,000	$54,250,000	44.3%	3.11x
Fairlane East - Dearborn, MI	12/13/2010	2/29/2016	5.2	$14,000,000	$31,250,000	69.7%	4.63x
Villas at Countryside – Moore, OK	9/30/2011	12/19/2017	6.2	$26,750,000	$34,600,000	24.6%	2.53x
Woodlands – Minnetonka, MN	12/21/2011	8/30/2016	4.7	$30,300,000	$44,900,000	25.8%	2.21x
Fairlane Town Center – Dearborn, MI	4/24/2012	8/13/2015	3.3	$17,425,000	$32,625,000	81.0%	3.68x
Trilogy Multifamily Fund II, LP [(2)]	6/1/2012						
Parkway - Eden Prairie, MN	7/25/2012	2/20/2018	5.6	$41,537,000	$61,050,000	24.3%	2.35x
Vintage on Yale – Tulsa, OK	11/25/2013	12/12/2018	5.0	$31,050,000	$35,327,000	5.1%	1.26x
Riverset Apartments - Memphis, TN	5/31/2013	12/23/2020	7.6	$43,600,000	$63,000,000	16.0%	2.16x
Trilogy Legacy Fund I, LP [(3)]	6/1/2013						
Westmoore – Moore, OK	12/19/2014	5/30/2019	4.4	$20,040,000	$23,000,000	5.0%	1.23x

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Table 2: Currently Operating Programs

In the table below, "**IRR**" and "**Equity Multiple**" are calculated as follows:

- For Trilogy Multifamily Fund II, LP, IRR and Equity Multiple are presented net of all organizational expenses, operating expenses, and transaction fees and transaction-related expenses incurred in the acquisition and disposition of each investment, provided, however, that the disposition of unsold assets is based on the portfolio appraisal and calculation of liquidation value performed in conjunction with the June 27, 2018 MF Fund II restructuring. IRR and Equity Multiple are presented on a gross basis and do not reflect the allocation of carried interest.

- For Trilogy Multifamily Fund III, LP, IRR and Equity Multiple are presented net of all organizational expenses, operating expenses, and transaction fees and transaction-related expenses incurred in the acquisition and disposition of each investment, provided, however, that the disposition of unsold assets is based on the portfolio appraisal and calculation of liquidation value performed in conjunction with the October 1, 2018 MF Fund III Restructuring. IRR and Equity Multiple are presented on a gross basis and do not reflect the allocation of carried interest.

Program Name	Program Offering Date	Targeted Offering Amount	Total Equity Raised	IRR	Equity Multiple
Trilogy Multifamily Fund II, LP	6/1/2012	$ 60,000,000	$ 78,650,000	19.5%	2.11x
Trilogy Multifamily Fund III, LP [4]	1/1/2014	$ 50,000,000	$ 37,900,000	19.4%	1.73x
Trilogy Legacy Fund I, LP	6/1/2013	$ 20,000,000	$ 21,350,000	n.a.	n.a.
Trilogy Legacy Fund II, LP [5]	4/1/2017	$ 50,000,000	$ 40,650,000	n.a.	n.a.
Trilogy Opportunity Zone Fund, LP [6]	12/1/2018	$ 225,000,000	$ 230,129,900	n.a.	n.a.
Trilogy Riverset Multifamily DST [7]	5/18/2020	$ 31,102,816	$ 32,153,825	n.a.	n.a.
Trilogy Park 205 Multifamily DST [8]	5/28/2021	$ 25,397,248	$ 25,397,248	n.a.	n.a.
Trilogy Multifamily Fund IV, LP [9]	7/1/2020	$ 125,000,000	$ 123,200,000	n.a.	n.a.

Notes to Tables:

(1) **Trilogy Multifamily Fund, LP**. From December 2009 to July 2012, MF Fund I raised $30 million and acquired six multifamily assets, representing 1,818 units. MF Fund I's assets were liquidated between September 2011 and December 2017. The assets generated IRRs ranging from 20.2% and 63.7% and equity multiples ranging from 2.21x to 4.63x. As a whole, MF Fund I generated an IRR of 35.9% and an equity multiple of 2.97x.

(2) **Trilogy Multifamily Fund II, LP**. From April 2012 to April 2015, MF Fund II raised $79 million and acquired eight multifamily assets, representing 2,917 units; currently, MF Fund II's portfolio consists of five assets, representing 1,682 units. MF Fund II sold a pair of assets in 2018. One asset, representing 375 units, generated an IRR of 21.0% and an equity multiple of 2.35x; the other asset, representing 360 units, generated an IRR of 4.8% and an equity multiple of 1.26x. In 2020, MF Fund II sold one asset, representing 500 units, and generated an IRR of 16.0% and an equity multiple of 2.16x.

(3) **Trilogy Legacy Fund I, LP**. From August 2013 to June 2016, Legacy Fund I raised $21 million and acquired two multifamily assets, representing 304 units. Currently, Legacy Fund I's portfolio consists of these two assets.

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(4) **Trilogy Multifamily Fund III, LP**. From March 2014 to December 2016, MF Fund III raised $38 million and acquired five multifamily assets, representing 1,011 units; currently, MF Fund III's portfolio consists of the same five assets.

(5) **Trilogy Legacy Fund II, LP**. Between March 2017 and October 2018, Legacy Fund II raised $41 million and made two investments, consisting of a promissory note and a multifamily asset, representing 309 units. Currently, Legacy Fund II's portfolio consists of these two assets.

(6) **Trilogy Opportunity Zone Fund, LP**. The OZ Fund concluded fundraising activities in 2021 and raised approximately $230 million to invest in development projects located in qualified opportunity zones.

(7) **Trilogy Riverset Multifamily DST**. Between May 2020 and December 2020, the DST raised $32.2 million in invested capital with respect to its ownership of a 500-unit multifamily asset.

(8) **Trilogy Park 205 Multifamily DST**. Between May 2021 and November 2021, the DST raised $25.4 million in invested capital with respect to its ownership of a 115-unit multifamily asset.

(9) **Trilogy Multifamily Fund IV, LP**. MF Fund IV concluded fundraising activities in 2021 and raised approximately $130 million. To date, the fund has acquired three multifamily assets, totaling 1,096 units.

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MANAGEMENT

Asset Management

Lansing MI Multifamily Manager, LLC, a Delaware limited liability company, serves as the Administrative Trustee of the Trust and is responsible for the operation of the Trust. The Administrative Trustee is wholly-owned by the Sponsor. See "SPONSOR AND PRIOR PERFORMANCE" for information regarding the Sponsor.

Property Management

Trilogy Residential Management, LLC, a Delaware limited liability company, serves as the Property Manager pursuant to the Property Management Agreement, a copy of which is available in the Investor Data Room. The Property Manager is wholly-owned by the Sponsor. See "SPONSOR AND PRIOR PERFORMANCE" for information regarding the Sponsor.

The Property Management Agreement.

Concurrently with entering into the Master Lease, the Master Tenant entered into the Property Management Agreement with the Property Manager, an affiliate of the Sponsor and the current manager of the Property.

The Property Management Agreement has an initial term of six months, and will automatically renew on a month-to-month basis thereafter. After the initial six-month term, the Property Management Agreement may be terminated by either party: (1) upon 60 days' prior written notice; (2) upon 30 days' prior written notice in the event the Property is sold to an unaffiliated third party; and (3) in the event the other party defaults in the performance of any of its obligations under the Property Management Agreement and fails to cure after notice, as set forth in the Property Management Agreement.

The Master Tenant is responsible for paying the Property Manager certain compensation, as described in "COMPENSATION OF THE SPONSOR AND ITS AFFILIATES – *Property Management Fees*." Except for management fees that are incurred in connection with a construction matter involving a Capital Expense (which are included as part of such Capital Expense and thus borne by the Trust under the terms of the Master Lease), the Master Tenant is responsible for any fees payable to the Property Manager.

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FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain federal income tax consequences to the Investors that prospective Investors should consider. A complete discussion of the federal tax consequences of acquiring Interests is beyond the scope of this summary. Prospective Investors should be aware that the income tax consequences of an acquisition of an Interest are uncertain and complex and that such consequences may not be the same for all taxpayers. Neither the Trust nor any of the Trust's affiliates are providing any assurances or legal opinions to the effect that the acquisition of Interests by any prospective Investor will meet the requirements under Section 1031. The following summary is based on the Code, regulations enacted under the Code (the "**Regulations**"), court decisions and published IRS rulings that are in effect on the date of this Memorandum. Future legislative or administrative changes or court decisions may significantly change the conclusions expressed below, and these changes or decisions may have a retroactive effect.

Classification for Purposes of Section 1031

The Trust Agreement has been structured with the intent that an Investor will be treated as acquiring an undivided interest in real estate, as opposed to a security or interest in a partnership, joint venture, association or trust for federal income tax purposes. An Investor who is acquiring an Interest pursuant to a Section 1031 Exchange must be aware that the Interest must be treated as an interest in real property and not as an interest in a partnership, joint venture, association or trust in order for an Investor to be eligible to use the Interest as part of a Section 1031 Exchange. However, no ruling will be requested from the IRS that the Interests will be treated as undivided interests in real estate as opposed to an interest in a partnership, joint venture, association or trust for federal income tax purposes. In the absence of a ruling, there can be no assurance that the IRS will treat the Interests as interests in real estate for federal income tax purposes. Consequently, an Investor acquiring an Interest as part of a Section 1031 Exchange should, and is required to represent in the Investor Questionnaire and Purchase Agreement, that such Investor has consulted his, her or its own tax advisor about the tax consequences of any Section 1031 Exchange and its potential risks.

An Interest must constitute an interest in real estate to qualify for exchange treatment under Section 1031. The determination of whether an Interest will be treated for federal income tax purposes as ownership in real estate and not as a security or an interest in a partnership, joint venture, association or trust is dependent upon all of the surrounding facts and circumstances. On July 20, 2004, the IRS issued Revenue Ruling 2004-86, 2004-2 C.B. 191, which held that, assuming the other requirements of Section 1031 are satisfied, a taxpayer's exchange of real property for an interest in the DST satisfies the requirements of Section 1031. The IRS based its holding on the following conclusions: (1) the DST is treated as an entity separate from its owners (and not as a co-ownership or agency arrangement), (2) the DST is an "investment" trust and not a "business entity" for federal income tax purposes, (3) 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 (4) the holders of interests in the DST are treated as directly owning interests in real property held by the DST. Because Revenue Ruling 2004-86 contains numerous factual assumptions regarding the DST, not all of which apply to the Trust, there can be no guarantee that the Interests will satisfy the requirements of Section 1031. Nevertheless, the Trust Agreement has been drafted such that it is consistent with the material factual assumptions regarding the DST, and Special Tax Counsel to the Trust has rendered a Tax Opinion that the acquisition of Interests by an Investor **should** be treated as a direct acquisition of the Property for purposes of Section 1031. Such opinion will rely upon the accuracy and completeness of certain documents, facts, representations and assumptions that may not be applicable to a particular prospective Investor. In addition, qualification of the transaction under Section 1031 requires meeting numerous statutory, regulatory and other conditions and also involves issues based on facts and situations that are not and cannot be known to Special Tax Counsel. Therefore, each prospective Investor's tax situation with respect to an exchange will be different and a prospective Investor must consult with his, her or its own tax advisor regarding his, her or its ability to effectuate an acquisition of replacement property under Section 1031. The Tax Opinion addresses only one aspect in qualifying under Section 1031, whether an acquisition of an Interest can be treated as a direct acquisition of the Property for purposes of Section 1031.

Other issues relevant to qualification under Section 1031 that are not addressed include, but are not limited to:

- whether a prospective Investor has properly identified the replacement property within the 45-day time period;

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- whether the Relinquished Property qualified as being held for investment purposes or in a trade or business;
- whether a prospective Investor will fall within the deferred exchange safe harbor rules by properly using a "qualified intermediary" and a "qualified exchange escrow";
- whether a prospective Investor acquiring an Interest and attempting to do a reverse exchange meets all the qualifications spelled out in IRS Revenue Procedure 2000-37, 2000-2 C.B. 308 (September 18, 2000);
- whether some portion of the Property is "personal property" as opposed to "real property"; and
- whether any amounts paid by, or deemed paid by, the prospective Investors with respect to certain costs and expenses of the Offering, financing costs and funding of the Reserve Accounts will be deemed to constitute other consideration received in the exchange.

Therefore, a prospective Investor must consult his, her or its own tax advisor regarding an acquisition of an Interest and the qualification of his, her or its transaction under Section 1031. A prospective Investor may not rely on the Trust's Special Tax Counsel or on the Trust, its affiliates or its agents, including its accountants, for any tax advice regarding the treatment of his, her or its transaction under Section 1031. For the same reason, except as provided in the Tax Opinion (subject to the limitations described therein), a prospective Investor may not rely on any statement made in this Memorandum regarding the qualification of his, her or its purchase of an Interest under Section 1031. No representation or warranty of any kind is made with respect to the IRS's acceptance of the qualification of a proposed Section 1031 Exchange.

Property Identification for Section 1031 Exchanges

Section 1031 generally permits taxpayers to identify up to three replacement properties (the "**three-property rule**"), without regard to the fair market value of those properties. In addition, taxpayers may identify any number of properties so long as their aggregate fair market value at the end of the identification period does not exceed 200% of the value of the Relinquished Property on the date it was transferred (the "**200% rule**"). If the three-property rule and 200% rule are violated, an Investor will still be treated as properly identifying any replacement property identified before the end of the identification period and received before the end of the exchange period if the fair market value of the replacement property received is at least 95% of the aggregate fair market value of all identified replacement property. The property identification rules of Section 1031 are complex, and Investors must consult with their own qualified intermediaries and tax advisors concerning their satisfaction of the property identification requirements of Section 1031.

Receipt of Boot

If, in a Section 1031 Exchange, money is received or deemed received in addition to the like-kind property (referred to as "**boot**"), then gain on the Relinquished Property is recognized up to the amount of boot. Although there is no direct authority on point, prospective Investors should be aware that the IRS may take the position that certain costs paid or deemed paid from money received from the sale of the Relinquished Property are boot and, therefore, income to the Investors. For example, the IRS may conclude that some amounts paid into the Reserve Account and amounts paid in connection with the Offering of Interest constitute boot received by the Investors and not a reinvestment in real estate. Special Tax Counsel to the Trust is not opining as to whether any such amounts paid by or deemed paid by the Trust or the Investors will be considered an acquisition of real estate or boot to the Investors. *See* "ESTIMATED SOURCES AND USES OF PROCEEDS" and "PLAN OF DISTRIBUTION."

Excess Business Losses May Not Be Currently Deductible.

Under the TCJA, as modified by the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), for tax years beginning after December 31, 2020, excess business losses of a taxpayer other than a corporation are not allowed for the taxable year. 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

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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 for 2021 is $262,000 (or twice the applicable threshold amount in the case of a joint return). The threshold amount is indexed for inflation. In the case of a partnership or S corporation, the provision applies at the partner or shareholder level. The provision applies after the application of the passive loss rules.

Limit on Business Interest Deductions.

Under the TCJA, the Business Interest Limitation in Code Section 163(j) limits certain taxpayers' annual deductions for "business interest" paid or accrued during the taxable year to the sum of the ATI Limit plus certain types of business interest income of the applicable taxpayer. If the Business Interest Limitation is applicable to a taxpayer, then business interest in excess of the allowed current deduction may be carried forward and treated as business interest paid or accrued in the succeeding taxable year, subject to certain restrictions.

For federal income tax purposes generally, and for purposes of the Business Interest Limitation in particular, because the Trust is classified as a fixed investment trust and a grantor trust (and thus is not itself a "taxpayer" for such purposes), the Business Interest Limitation applies, if at all, to Investors and not to the Trust. If the Investor is a partnership or an S corporation, then the Business Interest Limitation is applied at the partnership or S corporation level. There is a special rule applicable to partners in Investors that are partnerships and elections are made at the partnership level. If the Investor is part of a group of affiliated corporations that file a consolidated return, then the Business Interest Limitation applies at the consolidated tax return filing level. The Property will be subject to the Loan and the Trust is expected to pay a considerable amount of interest with respect to the Loan. Each Investor will be considered to have paid his, her or its *pro rata* share of such interest and the Business Interest Limitation, if applicable, may limit an Investor's ability to deduct such interest.

Certain Investors (including individual Investors) that qualify as "small businesses" (in general, businesses whose average annual gross receipts for the three-year period ending with the prior taxable year do not exceed $25 million) are excepted from the Business Interest Limitation (the "**Small Business Exception**"). For the purposes of the Small Business Exception, any Investor that is not a corporation or a partnership (and is thus not normally subject to Code Section 448) calculates his, her or its average annual gross receipts as though he, she or it was a corporation or partnership. The U.S. Department of Treasury has promulgated proposed regulations concerning the Business Interest Limitation (the "**Proposed Business Interest Regulations**") that provide specific rules concerning how Investors who are individuals, partners in partnerships, shareholders of S corporations, and tax-exempt organizations calculate their average annual gross receipts for purposes of determining whether they qualify for the Small Business Exception. Under these specific rules, an individual Investor's gross receipts include all items specified as gross receipts in Treasury Regulations under Code Section 448(c), whether or not derived in the ordinary course of the Investor's trade or business, but do not include inherently personal amounts, including, but not limited to, personal injury awards or settlements with respect to an injury of the individual Investor, disability benefits, Social Security benefits received by the individual Investor during the taxable year, and wages received as by the individual Investor as an employee that are reported on Form W-2. **Investors should consult their own tax advisors to determine if they qualify for the Small Business Exception.**

If an Investor does not qualify for the Small Business Exception, then the Investor should consider whether the Business Interest Limitation applies to his, her or its *pro rata* share of the interest that the Trust pays with respect to the Loan. "Business interest" means any interest, other than investment interest within the meaning of Code Section 163(d), paid or accrued on indebtedness properly allocable to a "trade or business." Business interest includes disallowed business interest expense carryforwards from prior taxable years, including interest expense for the taxpayer's last taxable year that began before January 1, 2018 for which the deduction was disallowed and carried forward under Code Section 163(j) as in effect prior to the amendments enacted pursuant to the TCJA. The Proposed Business Interest Regulations provide that the term "trade or business" means a trade or business within the meaning of Code Section 162. As discussed in "FEDERAL INCOME TAX CONSEQUENCES – *Deduction for Qualified Business Income*" below, the Property is subject to the Master Lease, which may be a triple-net lease, and Investors are expected to be passive investors in the Property. Thus, an Investor's Interest may not be a "trade or business" within the meaning of Code Section 162 and the interest paid by the Trust with respect to the Loan may not be "business interest" subject to the Business Interest Limitation at all. **Investors should consult their own tax advisors to determine whether the Investor's Interest, either separately or together with any other interests in real property that the Investor may own, constitutes a trade or business within the meaning of Code Sections 162**.

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Even if an Investor does not qualify for the Small Business Exception and determines that such Investor's Interest, either separately or together with any other interests in real property that the Investor may own, constitutes a trade or business within the meaning of Code Sections 162, the Investor's Interest, separately or together with any other interests in real property that the Investor may own, may still be excepted from the definition of "trade or business" for purposes of Code Section 163(j). Code Section 163(j) provides that "trade or business" excludes any trade or business of performing services as an employee, certain regulated utility businesses, any electing farming business, and any business that has made a Real Property Business Election. Thus, interest paid or accrued on indebtedness properly allocable to a trade or business that has made a Real Property Business Election is not "business interest" subject to the Business Interest Limitation. **Investors should consult their own tax advisors regarding whether an Interest, either separately or together with any other interests in real property that they may own, constitutes a trade or business for such Investors within the meaning of Code Sections 162 and, if so, whether it would be advisable to make a Real Property Business Election with respect thereto.**

If an Investor makes a Real Property Business Election with respect to an Interest (either on its own or as part of a trade or business including other real property), then the Investor must use the alternative depreciation system ("**ADS**") to depreciate its Interest (and any other real property that is subject to the election). As such, the depreciable life of property subject to the Real Property Business Election would be increased as follows: nonresidential real property would be increased from 39 years to 40 years, residential real property would be increased from 27.5 years to 30 years, and qualified improvement property would be increased from 15 years to 20 years. Moreover, because the electing real property trade or business must use ADS to depreciate such property, to the extent any such property would otherwise be eligible for an additional depreciation deduction in the year that the property is placed in service equal to 100% of the taxpayer's adjusted basis in the property under Code Section 168(k) ("**Bonus Depreciation**"), such electing real property trade or business will be ineligible for claiming Bonus Depreciation. Regardless, even absent a Real Property Business Election, the portion of a taxpayer's basis in Replacement Property that is carried over from his, her or its Relinquished Property under Code Section 1031(d) is not eligible for Bonus Depreciation unless the taxpayer will be the original user of the replacement property. Because the Trust will not be the original user of the Property, even absent a Real Property Business Election, an Investor is only eligible to take Bonus Depreciation with respect to the portion of the basis in such Investor's Interest that is attributable to cash or other consideration paid by such Investor (including such Investor's share of the Loan, if applicable) that is in excess of the gross value of the Relinquished Property disposed of by such Investor (including any liabilities of such Investor discharged upon such disposition) pursuant to such Investor's Section 1031 Exchange.

Deduction for Qualified Business Income.

The TCJA added Code Section 199A that generally provides that a noncorporate taxpayer can deduct 20% of the "qualified business income" that he, she, or it receives during the taxable year. "Qualified business income" is the net amount of qualified items of income, gain, deduction, and loss with respect to any qualified trade or business of the taxpayer. For taxpayers whose taxable income exceeds the threshold amount of $157,500 ($315,000 in the case of a joint return) the deductible amount for a qualified trade or business is the lesser of: (1) 20% of the taxpayer's qualified business income, or (2) the greater of (a) 50% of the W-2 wages relating to the qualified trade or business or (b) the sum of (i) 25% of the W-2 wages relating to the qualified trade or business and (ii) 2.5% of the "unadjusted basis immediately after acquisition of qualified property."

There is substantial uncertainty as to whether a taxpayer's ownership of real estate that is subject to a triple-net lease can qualify as a "trade or business" for purposes of Code Section 199A. The Department of Treasury recently issued Final Regulations that provide some guidance with respect to Code Section 199A. The "Summary of Comments and Explanation of Revisions" that the Department of Treasury included with the Final Regulations (the "**Explanation**") discusses rental real estate activities as a trade or business for purposes of Code Section 199A. The Final Regulations state that "trade or business" has the same meaning as in Code Section 162. The Explanation notes that the Department of Treasury and the IRS will not provide a bright-line rule as to whether rental real estate activities will be considered a Code Section 162 trade or business for purposes of Code Section 199A. The IRS issued IRS Revenue Procedure 2019-38 that creates a safe harbor that taxpayers with rental real estate activities can, if they meet the requirements, rely upon to treat their rental real estate activities as a "rental real estate enterprise" that will be considered a "trade or business" for purposes of Code Section 199A. However, IRS Revenue Procedure 2019-38 specifically excludes from the safe harbor triple net leases. IRS Revenue Procedure 2019-38 notes that failure to satisfy the requirements of the safe harbor does not preclude a taxpayer from otherwise establishing that a rental real estate

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activity is a trade or business for purposes of Code Section 199A. Thus, a taxpayer with a triple net lease will need to establish that his, her or its rental real estate activity qualifies as a Code Section 162 trade or business.

Under Code Section 162, the determination as to whether an activity rises to the level of a "trade or business" is based on the facts and circumstances. The current rules with respect to Code Section 162 require a taxpayer to be an active participant in his, her, or its real estate rental activities for the activities to constitute a "trade or business." As the Final Regulations note, a taxpayer seeking to determine whether a rental real estate activity is a Code Section 162 trade or business will need to consider factors including, but are not limited to, the following: (i) the type of rented property, (ii) the number of properties rented, (iii) the owner's or the owner's agents day-to-day involvement, (iv) the types and significance of any ancillary services provided under the lease, and (v) the terms of the lease. The Property is subject to the Master Lease, which may be a triple-net lease, and Investors are expected to be passive investors in the Property. Thus, there is substantial uncertainty as to whether the income that Investors receive from the Trust can qualify as "qualified business income" from a qualified trade or business.

Moreover, the Final Regulations also state that a taxpayer's "unadjusted basis" in replacement property that he, she, or it receives in a Section 1031 Exchange is his, her, or its basis in its Relinquished Property. Thus, an Investor who purchases his, her, or its Interest through a Section 1031 Exchange may have an "unadjusted basis" in his, her, or its Interest equal to the basis he, she, or it had in his, her, or its Relinquished Property. If so, an Investor who has a low basis in his, her, or its Relinquished Property will have a low "unadjusted basis" in his, her, or its Interest, and his, her, or its Code Section 199A deduction amount may be less than the deduction amount of an Investor who purchased his, her, or its Interest through means other than a Section 1031 Exchange.

There continues to be substantial uncertainty with respect to the application of Code Section 199A. Additionally, the application of Code Section 199A will differ based on each Investor's facts and circumstances. Therefore, each prospective Investor should consult with his, her, or its personal tax advisor to determine whether Code Section 199A applies to the income that the Investor receives from the Trust.

Tax Deficiency, Penalties and Interest

If an IRS audit disqualifies an Investor's proposed Section 1031 Exchange, the Investor will be taxed on his, her or its gain on the sale of the Relinquished Property, and the IRS will assess interest and could assess penalties and interest on the tax deficiencies associated with any failed Section 1031 Exchange. The Code provides for penalties relating to the accuracy of a tax return equal to 20% of the portion of the underpayment to which the penalty applies. The penalty applies to any portion of any understatement which is attributable to: (1) negligence; (2) any substantial understatement of income tax; or (3) any substantial valuation overstatement. Additional interest may be imposed on underpayments relating to tax shelters. As indicated above, Special Tax Counsel has issued an opinion that an acquisition of an Interest **should** be treated as a direct acquisition of the Property for purposes of Section 1031. However, the Tax Opinion does not address whether an Investor's specific transaction qualifies as a Section 1031 Exchange or whether any amounts paid by or deemed paid by the Trust or the Investors with respect to certain expenses of the Offering or financing will be deemed to constitute an acquisition of real estate. While Special Tax Counsel believes that its opinion is supported by substantial authority and that an Investor should not be subject to the accuracy-related penalties described above with respect to whether the purchase of an Interest qualifies as a direct acquisition of real estate, the Tax Opinion is not binding on the IRS and does not provide a guarantee against an adverse tax result.

Taxable Income

It is expected that an Investor's Interests will generate annual taxable income in excess of the cash distributable to such Investor. Although such taxable income can be offset by depreciation deductions, the amounts of such depreciation deductions may be limited because the tax basis of such property received in a Section 1031 Exchange is generally the same as the tax basis of the property exchanged. Therefore, if an Investor has a low tax basis in the Relinquished Property exchanged in a proposed Section 1031 Exchange, such Investor will have a low tax basis in his, her or its Interests, and his, her or its depreciation deductions will be less than the depreciation deductions of an Investor whose purchase was not structured as a Section 1031 Exchange.

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Net Income and Loss of Each Investor

Each Investor will be required to determine his, her or its own net income or loss from the Property for income tax purposes. Certain expenses of the Property, such as depreciation and any interest expense attributable to refinancing proceeds which are distributed to the Investors, will be different for different Investors. The Administrative Trustee will keep records and provide information about expenses and income for each Investor. An Investor, however, will be required to keep separate records and to separately report his, her or its own net income or loss from the Property for income tax purposes. The application of certain rules, including the passive activity loss rules and the at-risk rules, may cause the tax treatment of certain expenses of the Property such as depreciation, to be different for each Investor.

In addition to other income tax imposed by the Code, certain Investors who are U.S. individuals, estates, or trusts (including those that would own their Interests through an entity treated as a partnership or S corporation for U.S. income tax purposes) are subject to the Medicare Contributions Tax, which imposes a 3.8% tax on the lesser of (1) "net investment income" for the relevant taxable year and (2) the excess of modified adjusted gross income for the taxable year over a certain threshold of certain U.S. individuals and on the lesser of (a) the undistributed "net investment income" for the relevant tax year and (b) the excess of the "adjusted gross income" for such taxable year over the dollar amount at which the highest tax bracket in Code Section 1(e) begins for such taxable year of certain estates and trusts. Among other items, "net investment income" generally includes rent and net gain from the disposition of investment property, less certain deductions.

Taxation of Tax-Exempt Investors

Tax-exempt entities, including qualified employee pension and profit sharing trusts, individual retirement accounts, Simple 401k plans, Keogh plans, annuities, and charitable remainder trusts, are subject to taxation on their unrelated business taxable income ("**UBTI**"). Generally, a tax-exempt entity that incurs UBTI is taxed on such income at the regular trust, or in the case of some entities corporate federal income tax rates. Because Interests in the Trust are treated for tax purposes as direct interests in the Property, tax-exempt investors will be deemed to be carrying on the activities of the Trust for purposes of determining whether the tax-exempt investors' income is UBTI.

UBTI is income that is derived by a tax-exempt entity from an unrelated trade or business that it regularly carries on, less the deductions directly connected with that trade or business. UBTI generally includes a percentage of rental income (less applicable deductions) and gains from the sale or other disposition of real property if the property is debt-financed.

The percentage of rental income that will be UBTI (less the same percentage of applicable deductions) for debt-financed property is the ratio of the investor's pro-rata share of the average outstanding principal balance of the debt to the investor's individual average tax basis in the property. Depreciation with respect to a tax-exempt investor's interest in debt-financed property must be computed using the straight-line method.

Upon the sale or other disposition of debt-financed property, the percentage of the gain that will be UBTI is the ratio of the of the investor's individual average outstanding principal balance of the debt during the 12-month period ending with the sale to the investor's pro-rata share of the average tax basis in the property during the applicable sale year.

Because the Property is debt-financed, a portion of certain tax-exempt investors' rental income and gains from the sale of the Property will generate UBTI. However, it is anticipated that depreciation deductions will offset a portion of the UBTI from rental income. If such a tax-exempt investor incurs additional debt in connection with its investment in the Trust, it may give rise to UBTI. Therefore, each prospective Investor should consult its own advisors regarding the use of debt to invest in the Trust.

TAX-EXEMPT ENTITIES SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF AN INVESTMENT IN THE TRUST. TAX-EXEMPT INVESTORS MAY INCUR SIGNIFICANT AMOUNTS OF UBTI AS A RESULT OF INVESTING IN THE TRUST.

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Tax Impact of Sale of the Property

If the Property is sold or otherwise disposed of (such as by foreclosure by the Lender), the Investors will likely recognize taxable income. The amount realized by the Investors will include the amount of any debt assumed by the Investor or eliminated in such disposition of the Property. An Investor will have taxable income to the extent that the amount realized by such Investor exceeds his, her or its tax basis in his, her or its Interests. In addition, as noted above in "*Net Income and Loss of Each Investor*," the 3.8% Medicare Contribution Tax is likely to apply to any net gain realized on a taxable disposition of the Property.

State and Local Laws

Prospective Investors may be affected in different ways by state and local tax laws that are not discussed in this Memorandum, such as income taxes, franchise taxes, privilege and use taxes, and other taxes and fees. Therefore, each prospective Investor should consult with his, her or its personal tax advisor regarding the state and local tax consequences resulting to such Investor from a potential purchase of an Interest.

Tax Opinion

Seyfarth Shaw LLP, Special Tax Counsel to the Trust, has rendered the Tax Opinion concerning certain issues related to the Interests as set forth in this Memorandum. A copy of the Tax Opinion of Special Tax Counsel is attached as Exhibit D to this Memorandum. Except as to matters stated therein, which are based upon the law in effect as of the date of the Tax Opinion, the issuance of the Tax Opinion should not in any way be construed as implying that Special Tax Counsel has approved or passed upon any other matter for the Trust.

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ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with an investment in the Trust by Benefit Plan Investors. The following is merely a summary of such considerations, however, and a complete discussion of the considerations associated is beyond the scope of this summary.

Each Benefit Plan Investor considering investing the assets of an IRA, or a pension, profit sharing, 401(k), Keogh or other employee benefit plan in the Trust should satisfy itself that such investment is consistent with its fiduciary obligations under ERISA and other applicable law, is made in accordance with the documents and instruments governing the plan or IRA, including the plan's investment policy, and satisfies the prudence and diversifications requirements of Sections 404(a)(1)(B) and 404(a)(1)(C) of ERISA. Each Benefit Plan Investor should also determine that an investment in the Trust will not impair the liquidity of the plan or IRA and that, even though it is expected that the Interests will produce unrelated business taxable income for the Benefit Plan Investor, the purchase and holding of an Interest is still consistent with the fiduciary obligations of the Benefit Plan Investor. See "FEDERAL INCOME TAX CONSEQUENCES" for a discussion of the unrelated business taxable income issues applicable to tax-exempt investors such as Benefit Plan Investors. Each Benefit Plan Investor should also satisfy itself that it will be able to value the assets of the plan annually in accordance with ERISA requirements.

Treatment of the Trust under ERISA

ERISA and the Code do not define "plan assets." However, the DOL has issued the Plan Asset Rules concerning the definition of what constitutes the assets of an employee benefit plan. The Plan Asset Rules provide that, as a general rule, the underlying assets and properties of corporations, partnerships, trusts and certain other entities in which a plan purchases an "equity interest" will be deemed, for purposes of ERISA, to be assets of the investing plan unless certain exceptions apply. The Plan Asset Rules define an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Interests in the Trust offered hereby should be treated as "equity interests" for purposes of the Plan Asset Rules.

One exception to the look-through rule under the Plan Asset Rules provides that an investing plan's assets will not include any of the underlying assets of an entity if at all times less than 25% of each class of "equity" interests in the entity are held by Benefit Plan Investors. The Sponsor and the Administrative Trustee intend to take such steps as may be necessary to limit the ownership of Interests in the Trust by Benefit Plan Investors to less than 25% of the total amount of Interests, and thereby qualify for the 25% exemption. If, however, neither this nor any other exemption under the Plan Asset Rules were available and the Trust were deemed to hold plan assets by reason of a Benefit Plan Investor's investment in the Interests, such Investor's indirect interest in the Property would be considered a plan asset. In such event, the Property, transactions involving the Property and the persons with authority or control over and otherwise providing services with respect to the Property would be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of ERISA and Code Section 4975. See "RISK FACTORS – ERISA Risks" for a discussion of certain consequences if the prohibited transaction provisions of ERISA and Code Section 4975 apply to the Trust.

Each Benefit Plan Investor that is a prospective Investor in an Interest in the Trust should consult with its counsel with respect to the potential applicability of ERISA and Code Section 4975 to such investment and determine on its own whether any exceptions or exemptions are applicable and whether all conditions of any such exceptions or exemptions have been satisfied. Moreover, each Benefit Plan Investor should determine whether, under the general fiduciary standards of investment prudence and diversification, an investment in an Interest is appropriate for the Benefit Plan Investor, taking into account the overall investment policy of such investor and the composition of such investor's investment portfolio. The sale of Interests in the Trust is in no respect a representation by the Sponsor, the Trust, their affiliates or any other person that such an investment meets all relevant legal requirements with respect to investments by plans generally or that such an investment is appropriate for any particular plan.

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LITIGATION

There are no material legal actions pending against the Sponsor, the Master Tenant or the Trust nor, to the knowledge of the Sponsor, the Master Tenant or the Trust, respectively, are any such proceedings threatened or contemplated.

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REPORTS AND ADDITIONAL INFORMATION

Books and Records

The Administrative Trustee will keep proper and complete records and books of account for the Property, which will be used by the Sponsor to prepare periodic financial statements. These books and records will be kept at the Administrative Trustee's principal place of business and will be available to the Investors during reasonable business hours with notice.

Reports

The Administrative Trustee intends to provide all Investors with a Semi-Annual Report, which will include a financial update as well as updates regarding the performance of the Property, on a semi-annual basis. However, the Administrative Trustee will not begin providing these Investor Reports until the later to occur of (1) the last Investor closing on his, her or its investment in the Trust and (2) the Trust completing its first full year of operations.

Tax Information

The Administrative Trustee will provide to the Investors in time for each Investor to file the Investor's tax returns, all tax information (other than with respect to depreciation) concerning the Trust that is necessary for preparing the Investor's income tax returns for that year.

Additional Information

The Trust will answer inquiries concerning the Interests and other matters relating to the Offering. Also, the Trust will afford the prospective Investors the opportunity to obtain any additional information (to the extent the Trust possesses such information or can acquire such information without unreasonable effort or expense) that is necessary to verify the information in this Memorandum.

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EXHIBIT A

Form of Investor Questionnaire and Purchase Agreement

[Attached]

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LANSING MI MULTIFAMILY DST

INVESTOR QUESTIONNAIRE AND PURCHASE AGREEMENT

TRILOGY

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INVESTOR QUESTIONNAIRE

INVESTMENT IN BENEFICIAL INTERESTS OF
LANSING MI MULTIFAMILY DST

Legal Name of Investor: _____

Memorandum #: _____

Please read carefully the Confidential Private Placement Memorandum of Lansing MI Multifamily DST, a Delaware statutory trust (the "Trust") dated on or about December 15, 2021, and all exhibits and supplements thereto (collectively, the "Memorandum") relating to the potential investment in beneficial interests of the Trust (each, an "Interest" and collectively the "Interests") before deciding to invest. Defined terms used herein and not otherwise defined shall have the meaning ascribed to them in the Memorandum.

EACH PROSPECTIVE INVESTOR SHOULD EXAMINE THE SUITABILITY OF THIS TYPE OF INVESTMENT IN THE CONTEXT OF HIS/HER OWN NEEDS, PURCHASE OBJECTIVES AND FINANCIAL CAPABILITIES AND SHOULD MAKE HIS, HER OR ITS INDEPENDENT INVESTIGATION AND DECISION AS TO SUITABILITY AND AS TO THE RISK AND POTENTIAL GAIN INVOLVED. ALSO, EACH PROSPECTIVE INVESTOR MUST CONSULT WITH HIS, HER OR ITS ATTORNEY, ACCOUNTANT, FINANCIAL CONSULTANT OR OTHER BUSINESS OR TAX ADVISOR REGARDING THE RISKS AND MERITS OF THE PROPOSED PURCHASE.

This Offering is limited to an investor who certifies that he, she or it meets all of the suitability requirements set forth in the Memorandum and the Purchase Agreement for the purchase of Interests.

The Investor agrees to transact business with the Trust electronically, and also agrees to receive all required and contemplated communications electronically. The Investor understands and agrees that any electronic signature executed by Investor has the same force and effect as if the signature were holographic. This agreement to transact electronically applies to all instruments needing execution between the Investor and the Trust.

If the undersigned meets these qualifications and desires to purchase an Interest, please complete, execute and deliver to the Trust this Investor Questionnaire and the accompanying Purchase Agreement and signature page to the Trust Agreement.

The executed documents should be mailed or delivered to the Trust at the following address:

Lansing MI Multifamily DST
c/o Great Lakes Fund Solutions, Inc.
500 Park Avenue, Suite 114
Lake Villa, Illinois 60046

Upon receipt of the signed Investor Questionnaire and Purchase Agreement and verification of the prospective Investor's investment qualifications, the Trust will elect whether to accept the prospective Investor's investment. Prospective Investors may be accepted or rejected by the Trust at any time within 30 days of receipt of the foregoing documents. Any proposed purchase of Interests not accepted within 30 days of receipt shall be deemed rejected. Prospective Investors cannot acquire Interests if the Trust (or, if applicable, the Lender) does not approve such purchase.

Upon the Trust's acceptance of a prospective Investor for the purchase of an Interest, the Trust will so notify the prospective Investor. Investors whose subscriptions are accepted by the Trust must remit the entire purchase price for their Interests to the Trust by wiring such funds (wiring instructions will be provided by the Trust at such time) or by delivering a check (made payable to the order of "Lansing MI Multifamily DST") for the purchase price made payable to the Trust. The Trust reserves the right, in its sole discretion, to accept or reject a prospective Investor for any reason whatsoever. If a prospective Investor is not accepted, such prospective Investor's original documents and payments (if any) will be returned without interest.

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Within a reasonable time after closing the purchase of the Interests by an Investor, a confirmation statement reflecting the Interests purchased will be delivered to each Investor.

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INVESTOR QUESTIONNAIRE

INVESTMENT IN INTERESTS OF
LANSING MI MULTIFAMILY DST

This Investor Questionnaire relates to the undersigned's intention to purchase an Interest in the Trust for a purchase price of $_____. PLEASE NOTE: the minimum purchase for an Investor participating in a Section 1031 exchange (an "**Exchange Investor**") is $100,000, and for an Investor not participating in a Section 1031 exchange (a "**Cash Investor**") is $25,000, subject to the terms, conditions, acknowledgments, representations and warranties stated herein and in the Memorandum.

In order to induce the Trust to accept the Purchase Agreement, and as further consideration for such acceptance, the undersigned hereby makes the following acknowledgments, representations and warranties, with the full knowledge that the Trust will expressly rely thereon in making a decision to accept or reject the undersigned's Purchase Agreement:

The undersigned's primary state of residence is: _____

The undersigned's date of birth is: _____

The following information is required in order that the Trust may accurately determine if the undersigned prospective investor is an "Accredited Investor," as defined in Rule 501(a) of Regulation D under the Securities Act of 1934 and, if applicable, whether the undersigned prospective investor is a Benefit Plan Investor (defined below). **(PLEASE COMPLETE BOTH PART I AND PART II)**

PART I:

The undersigned represents that the undersigned meets the requirements of the initialed categories:
(PLEASE INITIAL ALL CATEGORIES THAT APPLY)

(a) _____ The undersigned is a natural person whose individual net worth, or joint net worth with that person's spouse or spousal equivalent, exceeds **$1,000,000** at the time of purchasing the Interests, provided that for purposes of calculating such net worth (A) the undersigned's primary residence shall not be included as an asset; (B) indebtedness that is secured by the undersigned's primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the undersigned's acquisition of an Interest, shall not be included as a liability, *provided, however*, that if the amount of such indebtedness outstanding at the time of the closing of the undersigned's acquisition of an Interest exceeds the amount of indebtedness outstanding 60 days before such time, other than as a result of the acquisition of the primary residence (such as, for example, if the undersigned takes out a home equity loan that is not used to acquire a primary residence during such 60-day time frame), the amount of such new indebtedness shall be included as a liability; and (C) indebtedness that is secured by the undersigned's primary residence is in excess of the estimated fair market value of the primary residence shall be included as a liability.

(b) _____ The undersigned is a natural person who had individual income in excess of **$200,000** in each of the two most recent years, or joint income with that person's spouse or spousal equivalent in excess of **$300,000** in each of those years, and has a reasonable expectation of reaching the same income level in the current year.

(c) _____ The undersigned is a natural person who is a "knowledgeable employee," as defined in Rule 3c-5(a)(4) of the Investment Company Act of 1940, as amended.

(d) _____ The undersigned is a "family office," as defined in Rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940, as amended, not formed for the specific purpose of acquiring the securities offered with total assets in excess of five million dollars ($5,000,000).

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(e) _____ The undersigned is a natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution designated by the SEC, which the SEC has currently designated as any one or more of a Series 7, Series 65 or Series 82 FINRA license.

(f) _____ The undersigned is an organization described in Section 501(c)(3) of the Code, or a corporation, business trust, or partnership, not formed for the specific purpose of acquiring the Interests, with total assets in excess of **$5,000,000**.

(g) _____ The undersigned is a trust, with total assets over **$5,000,000**, not formed for the specific purpose of acquiring 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.

(h) _____The undersigned is a broker-dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended.

(i) _____ The undersigned is an investment company registered under the Investment Company Act of 1940, as amended, or a business development company (as defined in Section 2(a)(48) of the Investment Company Act of 1940, as amended).

(j) _____ The undersigned is a small business investment company licensed by the Small Business Administration under Section 301(c) or (d) or the Small Business Investment Act of 1958, as amended.

(k) _____ The undersigned is a 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.

(l) _____ The undersigned is an employee benefit plan within the meaning of ERISA, if the investment decision is made by a plan fiduciary (as defined in section 3(21) of ERISA), which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are accredited investors.

(m) _____ The undersigned is a private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended).

(n) _____ The undersigned is a 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, or any insurance company as defined in Section 2(13) of the Securities Act.

(o) _____ The undersigned is an entity in which all of the equity owners are "accredited investors."

PART II:

Furthermore, the undersigned represents that the undersigned meets the requirements of the initialed category: **(PLEASE INITIAL THE APPROPRIATE OPTION BELOW)**

_____ The undersigned is purchasing the Interests with funds that constitute, directly or indirectly, the assets of a Benefit Plan Investor (defined below). The undersigned hereby represents and warrants that its investment in the Trust: (i) does not violate and is not otherwise inconsistent with the terms of any legal document constituting or governing the employee benefit plan; (ii) has been duly authorized and approved by all necessary parties; and (iii) is in compliance with all applicable laws.

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_____The undersigned is not purchasing the Interests with funds that constitute, directly or indirectly, the assets of a Benefit Plan Investor (defined below).

The term "Benefit Plan Investor" means a benefit plan investor within the meaning of U.S. Department of Labor Regulation 29 C.F.R. Section 2510.3-101, which includes (i) any employee benefit plan (as defined in Section 3(3) of ERISA), whether or not such plan is subject to Title I of ERISA (which includes both U.S. and Non-U.S. plans, plans of governmental entities as well as private employers, church plans and certain assets held in connection with nonqualified deferred compensation plans); (ii) any plan described in Code Section 4975(e)(1) (which includes a trust described in Code Section 401(a) which forms a part of a plan, which trust or plan is exempt from tax under Code Section 501(a), a plan described in Code Section 403(a), an individual retirement account described in Code Sections 408(a) or 408A, an individual retirement annuity described in Code Section 408(b), a medical savings account described in Code Section 220(d), and an education individual retirement account described in Code Section 530); and (iii) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (generally because 25 percent or more of a class of interests in the entity is owned by plans). Benefit Plan Investors also include that portion of any insurance company's general account assets that are considered "plan assets" and the assets of any insurance company separate account or bank common or collective Trust in which plans invest. 100% of an Investor's Interests whose underlying assets include "plan assets," such as a fund investor, shall be treated as "plan assets" by the Trustees for purposes of meeting an exemption under the Department of Labor regulation.

The undersigned acknowledges that the undersigned has consulted with a qualified attorney or other knowledgeable professional as to the tax and real estate issues associated with the purchase of the Interests.

The undersigned acknowledges that the sale of the Interests has not been accompanied by any public advertisement or general solicitation or as the direct result of an investment seminar sponsored by the Trust or any of its affiliates.

THE INTERESTS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND IS BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE INTERESTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION, OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

The undersigned hereby agrees to indemnify, defend and hold harmless the Trust, the Trustees, and their respective affiliates and all of their members, managers, shareholders, officers, employees, affiliates and advisors from any and all damages, losses, liabilities, costs and expenses (including attorneys' fees and costs) that they may incur by reason of the undersigned's failure to fulfill all of the terms and conditions of the associated Purchase Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties or agreements contained herein, in the Purchase Agreement or in any other documents the undersigned has furnished to any of the foregoing in connection with this transaction. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs or expenses (including reasonable attorneys' fees and costs) incurred by the Trust, the Trustees, and their respective affiliates or any of their members, managers, shareholders, officers, employees, 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, in the Purchase Agreement or in any other documents the undersigned has furnished to any of the foregoing in connection with this transaction.

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INVESTOR REGISTRATION INFORMATION

Please print the exact title (registration) and address the undersigned desires on the account. In the case of a corporation, trust or other entity, the undersigned should use the full name of such entity and include the name and title of the signatory for such entity (*i.e.,* Trustee, President, Manager, etc.) **Please also complete the appropriate EXECUTION section below for the registered entity type, *e.g.,* Husband & Wife or Limited Liability Company. Organizational documents of any investor that is an entity must be included with the Investor Questionnaire:**

Name: _____

Investor Address: _____

_____

Work (____) _____ Home (____) _____

Fax (____) _____ Cell (____) _____

Primary State of Residence: _____

Federal Tax ID Number/Social Security Number: _____

E-Mail Address: _____

* Please **do not** use a P.O. Box address. A street address is required to send documents via overnight delivery.

DISTRIBUTIONS

Please indicate to whom distributions should be sent, if not to the address set forth above**. The Trust requires that distributions be made via direct deposit; please complete the attached Authorization Agreement for Direct Deposits (ACH Credits).**

Name: _____

Address: _____

_____

_____

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EXECUTION SECTION

Please sign this Investor Questionnaire by completing the appropriate EXECUTION section below:

***NOTE - EXECUTE ONLY ONE SECTION**

HUSBAND AND WIFE AS JOINT TENANTS WITH RIGHTS OF SURVIVORSHIP

If the prospective Investors are HUSBAND AND WIFE, complete the following:

_____
Signature of Spouse

_____
Name of Spouse (please print or type)

_____
Social Security Number

_____
Signature of Spouse

_____
Name of Spouse (please print or type)

_____
Social Security Number

_____
State of Residence

INDIVIDUAL AND/OR JOINT OWNER

If the prospective Investor is an INDIVIDUAL and/or JOINT OWNER, please complete the following:

_____ Signature of Investor	_____ (if applicable) Signature of Joint Owner
_____ Name (please print or type)	_____ (if applicable) Name of Joint Owner
_____ Social Security Number	_____ (if applicable) Social Security Number of Joint Owner

_____
State of Legal Residence

(NOTE: If you are married, and your primary state of residence is a community property state, which are currently Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin, and the Interests are to be held as your separate property, then your spouse must sign the Consent of Spouse form, Attachment A hereto.)

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TRUST

If the prospective Investor is a TRUST (excluding trusts that are Benefit Plan Investors), complete the following:

The undersigned hereby represents, warrants and agrees that: (i) the undersigned trustee(s) is duly authorized by the terms of the trust instrument (the "Trust Instrument") for the trust ("trust") set forth below to acquire the Interests; (ii) the undersigned, as trustee(s), has all requisite power and authority to acquire the Interests for the trust; and (iii) the undersigned trustee(s) is authorized by the trust to execute this Investor Questionnaire and the Purchase Agreement. **The undersigned trustee(s) encloses a true copy of the Instrument of said trust, as amended to date, and, as necessary, the resolutions of the trustees authorizing the purchase of the Interests.**

_____
Name of trust (please type or print)

By:_____ By: _____

Print Name:_____ Print Name: _____

Title (check one): Trustee(s) Co-Trustee(s)

_____
Federal Employer ID Number

_____
State of Formation

LIMITED LIABILITY COMPANY

If the prospective Investor is a LIMITED LIABILITY COMPANY, complete the following:

The undersigned hereby represents, warrants, and agrees that: (i) the undersigned is either the authorized manager or all of the members of the limited liability company named below (the "LLC"); (ii) the undersigned has been duly authorized by the LLC to acquire the Interests and has all requisite power and authority to acquire the Interests; and (iii) the undersigned is authorized by the LLC to execute this Investor Questionnaire and the Purchase Agreement. **The undersigned encloses a true copy of the Operating Agreement of the LLC, as amended to date, together with a current and complete list of all members and managers and, as necessary, the resolutions of the LLC authorizing the purchase of the Interests.**

_____
Name of LLC (please type or print)

By:_____ By: _____

Print Name:_____ Print Name: _____

Title (check one): Member Manager Managing Member

_____
Federal Employer ID Number

_____
State of Formation

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PARTNERSHIP If the prospective Investor is a PARTNERSHIP, complete the following:

The undersigned hereby represents, warrants, and agrees that: (i) the undersigned is a general partner of the partnership named below (the "Partnership"); (ii) the undersigned general partner has been duly authorized by the Partnership to acquire the Interests and the general partner has all requisite power and authority to acquire the Interests; and (iii) the undersigned general partner is authorized by the Partnership to execute this Investor Questionnaire and the Purchase Agreement. **The undersigned general partner encloses a true copy of the Partnership Agreement of the Partnership, as amended to date, together with a current and complete list of all partners and, as necessary, the resolutions of the Partnership authorizing the purchase of the Interests.**

_____
Name of Partnership (please print or type)

By:_____ By: _____

Print Name:_____ Print Name: _____

Title: General Partner Title: General Partner

_____
Federal Employer ID Number

_____
State of Formation

CORPORATION If the prospective Investor is a CORPORATION, complete the following:

The undersigned hereby represents, warrants and agrees that: (i) the undersigned has been duly authorized by all requisite action on the part of the corporation listed below (the "Corporation") to acquire the Interests; (ii) the Corporation has all requisite power and authority to acquire the Interests; and (iii) the undersigned officer of the Corporation has authority under the Articles of Incorporation, Bylaws, and resolutions of the Board of Directors of the Corporation to execute this Investor Questionnaire and the Purchase Agreement. **The undersigned officer encloses a true copy of the Articles of Incorporation, the Bylaws and, as necessary, the resolutions of the Board of Directors authorizing a purchase of the Interests, in each case as amended to date.**

_____
Name of Corporation (please type or print)

By:_____ By: _____

Print Name:_____ Print Name: _____

Title:_____ Title: _____

_____
Federal Employer ID Number

_____
State of Formation

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BENEFIT PLAN INVESTOR

If the prospective Investor is a BENEFIT PLAN INVESTOR (as defined in question 3, above), complete the following:

The undersigned hereby represents, warrants and agrees that: (i) the undersigned is duly authorized by the terms of the investor's governing instrument trust instrument (the "Governing Instrument") for the entity ("entity") set forth below to acquire the Interests; (ii) the entity has all requisite power and authority to acquire the Interests; and (iii) the undersigned has authority under the Governing Instrument to execute this Investor Questionnaire and the Purchase Agreement. **The undersigned encloses a true copy of the Governing Instrument of the entity, as amended to date, and, as necessary, any resolutions authorizing the purchase of the Interests.**

_____
Name of entity (please type or print)

By:_____ By: _____

Print Name:_____ Print Name: _____

Title:_____ Title:_____

_____
Federal Employer ID Number

_____
State of Formation

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INVESTOR SIGNATURE PAGE
TO THE TRUST AGREEMENT OF
LANSING MI MULTIFAMILY DST

The undersigned hereby covenants and agrees to be bound by the terms and conditions of the Trust Agreement.

ON BEHALF OF OR BY INDIVIDUAL INVESTOR(S):

Signature Investor #1	Signature Investor #2
Print Name	Print Name

ON BEHALF OF OR BY AN ENTITY INVESTOR (trust, corporation, partnership, limited liability company):

NAME OF TRUST/ENTITY: _____

Signature of Authorized Person	Signature of Authorized Person
Print Name / Title	Print Name / Title

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1031 EXCHANGE INFORMATION AND AUTHORIZATION AGREEMENT

Prospective Purchaser's Intent to Exchange

If the undersigned is an Exchange Investor completing a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code in connection with an investment in the Trust, please complete this page. The minimum investment for an Exchange Investor is $100,000 which equals a 0.23685% Interest in the Trust. In addition, for purposes of determining liabilities assumed in connection with the investor's Section 1031 Exchange, each $100,000 Interest will be allocated a pro rata percentage of the Loan made to the Trust, estimated at $103,925 per $100,000 Interest.

The undersigned's exchange information is as follows:

45-day identification period expires on: _____

180-day exchange period expires on: _____

Cash to complete this investment will be available on: _____

The undersigned hereby confirms that the acquisition of Interest is part of a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code, pursuant to an Exchange Agreement between Buyer and _____ (the "Accommodator") whose address, telephone number and contact person are as follows **(Please complete in full)**:

_____
Street Address

_____
City State Zip Code

_____
Telephone No. Fax No. E-mail

_____
Contact Person

Authorization of Inquiry

Signing this form authorizes the Trust and its authorized representatives to contact the Accommodator to obtain and confirm the following information:

Funds available for exchange;
Expiration date of 45-day identification period; and
Expiration date of 180-day exchange period.

The Trust will use this information solely for the purpose of approving the undersigned's investment in the Interest and establishing the required time period for completing the exchange.

Please indicate the undersigned's approval by printing the undersigned's name and signing below.

Print Name:_____ Date:_____

Signature:_____

Print Name:_____ Date:_____

Signature:_____

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AUTHORIZATION AGREEMENT FOR DIRECT DEPOSITS (ACH CREDITS)

Individual/Trust/Company Name:_____

Individual/Trust/Company Tax ID Number:_____

The undersigned hereby authorizes Lansing MI Multifamily DST, or its designee (the "Trust") to initiate credit entries to the undersigned's ☐ Checking Account / ☐ Savings Account (select one) at the depository financial institution named below (the "Depository") and to credit the undersigned's distributions to such account. The undersigned acknowledges that the origination of ACH transactions to the undersigned's account must comply with the provisions of U.S. law.

Depository
Name:_____ Branch:_____

City:_____ State:_____ Zip:_____

Bank Account Name:_____

Routing
Number:_____ Account
Number:_____

This authorization is to remain in full force and effect until the Trust has received written notification from the undersigned (or either of the undersigned) of its termination in such time and in such manner as to afford the Trust and the Depository a reasonable opportunity to act on it.

Name:_____ Tax ID Number:_____

Date:_____ Signature:_____

Name:_____ Tax ID Number:_____

Date:_____ Signature:_____

If the undersigned authorizing a direct ACH credit, please attach a voided check for the account listed above.

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BROKER/DEALER REPRESENTATIONS AND WARRANTIES

Standards of suitability have been established by Lansing MI Multifamily DST (the "Trust") and fully disclosed in the section of the private placement memorandum for the Trust entitled "WHO MAY INVEST." Prior to recommending purchase of a beneficial interest in the Trust (the "Interest"), we have reasonable grounds to believe, on the basis of information supplied by the investor named below (the "Investor") concerning his, her or its investment objectives, other investments, financial situation and needs, and other pertinent information that: (i) the Investor is an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act; (ii) the Investor meets any additional standards established by the Trust; (iii) the Investor has a net worth and income sufficient to sustain the risks inherent in an investment in the Interest, including loss of the entire investment and lack of liquidity; and (iv) the Interest is otherwise a suitable investment for the Investor and the sale of this investment is consistent with Regulation Best Interest. We will maintain in our files documents disclosing the basis upon which the suitability of the Investor was determined.

We verify that the above subscription either does not involve a discretionary account or, if so, that we have made the Investor aware, prior to subscribing for the Interest, of the risks entailed in investing in the Interest.

Investor Name:_____

Broker/Dealer Firm Name:_____

Registered Representative:_____
(Please Print)

_____
Registered Representative's BRANCH ADDRESS, City, State, Zip

Branch Phone Number: (_____) _____

E-mail address:_____

I hereby certify that I am registered in _____, the state of sale.

_____
Signature of Registered Representative

_____
Signature of Principal

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PURCHASE AGREEMENT
LANSING MI MULTIFAMILY DST

THIS PURCHASE AGREEMENT ("Agreement") is made and effective as of the date Seller executes this Agreement ("Effective Date") by and between **LANSING MI MULTIFAMILY DST**, a Delaware statutory trust ("Seller"), and _____ ("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 the Defined Terms attached hereto as Schedule 1 and incorporated herein.

WHEREAS, as described in the Memorandum, the Seller owns the real estate and improvements located at 4540 Collins Rd, Lansing, MI 48910, commonly known as Volaris Lansing Apartments, which, as of the Effective Date, consists of approximately 12.09 acres of land and 289 units, which includes a mix of one-, two-, and three-bedroom apartments, contained within 4 low-rise residential buildings, all of which is 100% leased to Lansing MI Multifamily Master Tenant, LLC.

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 and Sale. Seller hereby agrees to sell, and Buyer hereby agrees to purchase, a beneficial interest (the "Interest") of _____% in the Seller at a purchase price ("Purchase Price") equal to $_____. In addition, for purposes of any tax-deferred exchange being entered into by the Buyer under Section 1031 of the Internal Revenue Code, the Seller shall be allocated a pro rata portion (_____%) of the debt, equal to $_____.

1.2 Payment. If Buyer's subscription is accepted by Seller (and if applicable, the Lender), Buyer shall pay to Seller on or before five Business Days before the Closing Date (the first day of such five day period being referred to as the "Funding Date") in immediately available funds an amount equal to the Purchase Price. Seller shall provide Buyer written notice of the Funding Date at least two Business Days prior to the Funding Date. In the event Buyer fails to deposit the Purchase Price in accordance with this Section 1.2, Seller shall have the right to terminate this Agreement.

1.3 Buyer's Deliveries. Buyer shall execute, acknowledge (where appropriate) and deliver to Seller: (i) the Investor Questionnaire, and (ii) an executed signature page for the Trust Agreement, and (iii) such other documents as may reasonably be requested by Seller.

1.4 Buyer's Intent to Exchange. If Buyer's acquisition of the Interest is part of a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code, pursuant to an Exchange Agreement between Buyer and Buyer's Accommodator set forth on the Investor Questionnaire, then Seller agrees to execute such documents or instruments as may be necessary or appropriate to evidence such exchange, provided Seller's cooperation in such regard shall be at no additional cost, expense, or liability whatsoever to Seller, and that there shall be no delays to the closing.

1.5 Advisors. Buyer has consulted with a qualified attorney or other knowledgeable professional as to the tax and real estate issues associated with a purchase of the Interest.

2. Representations and Warranties.

2.1 Seller Representations and Warranties.

2.1.1 Seller Representations and Warranties. Seller hereby represents and warrants, as of the date of this Agreement, that:

(a) the execution, delivery, and performance of this Agreement and all other agreements contemplated hereby to which Seller is a party have been duly and validly authorized by Seller;

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(b) this Agreement and each such other agreements constitutes a valid and binding obligation of Seller, enforceable in accordance with its terms;

(c) the execution and delivery by Seller of this Agreement and all such other agreements, and the sale of the Interests hereunder, and the fulfillment of and compliance with the respective terms hereof and thereof by Seller, do not and shall not (1) conflict with or result in a breach of the terms, conditions, or provisions of, (2) constitute a material default under, (3) result in the creation of any lien or encumbrance upon Seller's assets pursuant to, (4) give any third party the right to modify, terminate, or accelerate any obligation under, (5) result in a violation of, or (6) require any authorization, consent, approval, exemption, or other action by or notice or declaration to, or filing with any court or administrative or governmental body or agency pursuant to, the organizational documents of Seller, or any law, statute, rule or regulation, order, judgment or decree to which Seller is subject, or any material agreement or instrument to which Seller is subject;

(d) there are no actions, suits, proceedings, orders, investigations, or claims pending or, to the best of Seller's knowledge, threatened against or, to Seller's knowledge, affecting Seller, or pending or threatened by Seller against any third party, at law or in equity, or before or by any governmental department, commission, board, bureau, agency, or instrumentality (including, without limitation, any actions, suit, proceedings, or investigations with respect to the transactions contemplated by this Agreement); nor have there been any such actions, suits, proceedings, orders, investigations or claims pending against or affecting Seller during the past three years;

(e) Seller is not subject to any judgment, order, or decree of any court or governmental body, agency, or official of any country or political subdivision of any country, including, but not limited to, federal, state, county, and local governments, administrative agencies, and courts (a "Governmental Authority'), which could have any change or effect (or aggregation of changes and effects) that is or could reasonably be expected to be materially adverse to the business, assets, condition (financial or otherwise), or operations of Seller;

(f) no permit, consent, approval, or authorization of, or declaration to or filing with, any Governmental Authority or any other person or entity is required in connection with the execution, delivery, and performance by Seller of this Agreement or the other agreements contemplated hereby, or the consummation by Seller of any other transactions contemplated hereby or thereby, except those that have already been obtained or made;

(g) all documents, instruments, and other materials provided to Buyer, by Seller, in conjunction with this transaction, including, but not limited to the Memorandum, are true and correct in all material respects, and do not contain any material misstatement of a material fact or fail to state any material fact required to be stated therein or necessary to make any statements contained therein, in light of the circumstances in which they are made, not misleading;

(h) assuming the representations by Buyer made in this Agreement and in the Investor Questionnaire related hereto are true and correct in all material respects, (1) the offer and sale of the Interest pursuant to this Agreement will be exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), as amended, and (2) neither Seller nor any person or entity acting on Seller's behalf has, in conjunction with the offering of the Interest, engaged in (i) any form of general solicitation or advertising (as those terms are used within the meaning of Rule 502(c) under the Securities Act), (ii) any action involving a public offering within the meaning of Section 4(a)(2) of the Securities Act, or (ii) any action that would require the registration under the Securities Act, of the offering or sale of the Interest pursuant to this Agreement; and

(i) Seller has not made, directly or indirectly, any offer or sale of the Interests or of other securities of the same or similar class as the Interests if, as a result thereof, the offer and sale contemplated hereunder of the Interests could fail to be entitled to exemption from the registration requirements of the Securities Act.

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For purposes of the foregoing, the terms "offer" and "sale" have the meanings specified in Section 2(a)(3) of the Securities Act. Further, as used herein, the term "knowledge" shall mean the actual knowledge of such person or party, following due and reasonable inquiry.

2.1.2 NO TAX REPRESENTATIONS. BUYER REPRESENTS AND WARRANTS THAT EXCEPT AS EXPRESSLY PROVIDED IN THE TAX OPINION PROVIDED BY SELLER'S SPECIAL TAX COUNSEL, WHICH OPINION IS QUALIFIED AND BASED ON NUMEROUS ASSUMPTIONS THAT MAY NOT BE APPLICABLE TO BUYER, IT IS NOT RELYING UPON ANY ADVICE OR ANY INFORMATION OR MATERIAL FURNISHED BY SELLER, THE SPONSOR OR THEIR REPRESENTATIVES, WHETHER ORAL OR WRITTEN, EXPRESSED OR IMPLIED, OF ANY NATURE WHATSOEVER, REGARDING ANY TAX MATTERS, INCLUDING WITHOUT LIMITATION, A DECISION BY BUYER TO EFFECT A TAX-DEFERRED EXCHANGE UNDER INTERNAL REVENUE CODE SECTION 1031, AS AMENDED. BUYER FURTHER REPRESENTS AND WARRANTS THAT IT HAS INDEPENDENTLY OBTAINED ADVICE FROM ITS OWN INDEPENDENT LEGAL COUNSEL AND/OR TAX ACCOUNTANT REGARDING ANY SUCH TAX-DEFERRED EXCHANGE, INCLUDING, WITHOUT LIMITATION, WHETHER THE ACQUISITION OF THE INTEREST PURSUANT TO THIS AGREEMENT MAY QUALIFY AS PART OF A TAX-DEFERRED EXCHANGE, AND BUYER IS RELYING SOLELY ON SUCH ADVICE.

2.2 Commissions. The parties mutually warrant and covenant that, other than commissions and fees described in the Memorandum or this Agreement, no brokerage commissions, finder's fees, or similar commissions or fees shall be due or payable by the Buyer on account of this transaction. Each party shall indemnify, protect, defend (with legal counsel acceptable to the other), and hold the other harmless from the claims for such commission or finder's fees or similar commissions or fees arising out of the actions of the indemnifying party, including, without limitation, attorneys' fees and costs, incurred in connection therewith or to enforce this indemnity, which indemnities shall survive the consummation of the transaction described in the Memorandum.

2.3 Additional Buyer Representations and Warranties. Buyer hereby represents and warrants to Seller that the following are true and correct on the date of this Agreement and shall be true and correct as of the date on which the closing of the transactions contemplated in this Agreement occur (the "**Closing Date**").

2.3.1 Buyer acknowledges that it has received, read, and fully understands the Memorandum. Buyer acknowledges that it is basing its decision to invest in the Interest on the Memorandum and Buyer has relied only on the information contained in said materials and has not relied upon any representations made by any other person. Buyer recognizes that an investment in the Interest involves substantial risk and Buyer is fully cognizant of and understands all of the risk factors related to the purchase of the Interests, including, but not limited to, those risks set forth in the section of the Memorandum entitled "RISK FACTORS."

2.3.2 Buyer's overall commitment to investments that are not readily marketable is not disproportionate to its individual net worth, and its investment in the Interests 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 the Interests. Buyer has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the investment in the Interests.

2.3.3 Buyer acknowledges that the offer and sale of the Interests has not been accompanied by the publication of any public advertisement or by any general solicitation.

2.3.4 All information that Buyer has provided to Seller concerning its suitability to invest in the Interests is complete, accurate, and correct as of the date of its signature on the last page of this Agreement. Buyer hereby agrees to notify Seller 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.

2.3.5 Buyer has had the opportunity to ask questions of, and receive answers from, Seller, the Administrative Trustee and their owners, officers, members, managers, employees, and

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affiliates, concerning the Seller and the terms and conditions of the offering of the Interests 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 Buyer.

2.3.6 Buyer is purchasing the Interests 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 the Interests. Buyer understands that, due to the restrictions referred to in Section 2.3.7, and the lack of any market existing or to exist for the Interests, Buyer's investment in the Interests will be highly illiquid and may have to be held indefinitely.

2.3.7 Buyer understands that there may be restrictions on the transfer, resale, assignment, or subdivision of the Interests imposed by applicable federal and state securities laws. Buyer is fully aware that the Interests have not been registered with the Securities and Exchange Commission in reliance on the exemptions specified in Regulation D issued by the Securities and Exchange Commission pursuant to the Securities Act, which reliance is based in part upon Buyer's representations set forth herein. Buyer understands that the Interests have not been registered under applicable state securities laws and are being offered and sold pursuant to the exemptions specified in said laws, and unless it is registered, they may not be re-offered for sale or resold except in a transaction or as a security exempt under those laws. Buyer understands that because the Trustees will operate in a manner such that the assets of the Trust will not be "plan assets" subject to the provisions of Part 4 of Subtitle B of Title I of ERISA, if the Buyer is purchasing the Interests with "plan assets" it must disclose as much to the Trust in order for the Trustees to determine whether the Trust might be subject to the provisions of ERISA and Section 4975 of the Internal Revenue Code. Buyer further understands that the specific approval of such resales by a state securities administrator or official may be required in some states.

2.3.8 BUYER UNDERSTANDS THAT SELLER HAS NOT OBTAINED, AND DOES NOT PLAN TO OBTAIN, A RULING FROM THE INTERNAL REVENUE SERVICE THAT THE INTEREST WILL BE TREATED AS AN INTEREST IN REAL ESTATE AS OPPOSED TO A BUSINESS ENTITY. BUYER UNDERSTANDS THAT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE INTEREST, ESPECIALLY THE TREATMENT OF THE TRANSACTION UNDER SECTION 1031 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED ("IRC"), AND THE RELATED "1031 EXCHANGE" RULES AND REGULATIONS, ARE COMPLEX AND VARY WITH THE FACTS AND CIRCUMSTANCES OF EACH INDIVIDUAL PURCHASER. BUYER SPECIFICALLY REPRESENTS AND WARRANTS THAT BUYER (I) HAS CONSULTED ITS OWN TAX ADVISOR REGARDING AN INVESTMENT IN THE INTEREST AND THE TREATMENT OF THE TRANSACTION UNDER IRC SECTION 1031; (II) EXCEPT AS EXPRESSLY PROVIDED IN THE TAX OPINION FROM SELLER'S SPECIAL TAX COUNSEL, WHICH IS QUALIFIED AND BASED ON NUMEROUS ASSUMPTIONS AND QUALIFICATIONS THAT MAY NOT BE APPLICABLE TO THE BUYER, IS NOT RELYING ON SELLER OR ANY OF ITS AFFILIATES OR ANY BROKER-DEALER THROUGH WHOM THE INTEREST IS PURCHASED, FOR ANY TAX ADVICE REGARDING THE TREATMENT OF BUYER'S TRANSACTION UNDER IRC SECTION 1031; AND (III) IS NOT RELYING ON ANY STATEMENTS MADE IN THE MEMORANDUM REGARDING THE TREATMENT OF ITS PURCHASE OF THE INTEREST UNDER IRC SECTION 1031.

2.3.9 Buyer understands that none of Seller, the Sponsor, the Trustees or their owners, officers, members, managers, employees or affiliates, legal counsel, or advisors represent Buyer in any way in connection with the purchase of the Interests and the entering into any of the related agreements associated with the purchase. Buyer also understands that legal counsel to Seller, the Sponsor, the Trustees and their affiliates does not represent, and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing, Buyer.

2.3.10 THE INTERESTS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATES AND IS BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE

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TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE INTERESTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION, OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

2.3.11 Buyer hereby agrees to indemnify, defend, and hold harmless Seller, the Sponsor, the Trustees and each of their owners, officers, members, managers, affiliates, and advisors of and 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, covenants, or agreements contained herein or in any other documents Buyer has furnished to any of the foregoing in connection with this transaction. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs, and expenses (including reasonable attorneys' fees and costs) incurred by Seller, the Sponsor, the Trustees or any of their owners, officers, members, managers, 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 Buyer has furnished to any of the foregoing in connection with this transaction.

2.3.12 Within five days after receipt of a written request from Seller, 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 Seller or Buyer is subject.

2.3.13 Buyer has taken no action that would give rise to any claim by any person for brokerage commissions, finders' fees or the like relating to the offer and sale of the Interests or the transactions contemplated by this Agreement.

2.3.14 The representations, warranties and other information set forth in the Investor Questionnaire are, and shall continue to be, true, correct and complete in all respects.

2.4 The representations and warranties of Buyer and Seller set forth herein above shall survive the termination of this Agreement.

3. General Provisions.

3.1 Interpretation. The use herein of (i) the neuter gender includes the masculine and the feminine, (ii) the singular number includes the plural, whenever the context so requires and (iii) the words "I" and "me" include "we" and "us" if Buyer is more than one person. 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, whether oral or written, are merged herein.

3.2 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.

3.3 Cooperation. Buyer and Seller acknowledge that it may be necessary to execute documents other than those specifically referred to herein to complete the acquisition of the Interests as provided herein. Buyer and Seller agree to cooperate with each other in good faith 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.

3.4 Assignment. Neither party may assign its rights under this Agreement, except, in the case of Buyer, to (a) a "Qualified Intermediary" as required by the IRC Section 1031, and/or (b) a limited liability company in which Buyer is the sole member, without first obtaining the other party's prior written consent, which

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consent may be withheld in such party's sole and absolute discretion. No such assignment shall operate to release the assignor from the obligation to perform all of its obligations hereunder.

3.5 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 Seller, to: Lansing MI Multifamily DST
c/o Lansing MI Multifamily Manager, LLC
520 West Erie Street, Suite 100
Chicago, IL, 60654
Attention: Matthew Leiter

If to Buyer, to: Buyer's address as provided to Seller.

Either party may change such address by written notice to the other party. 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) the immediately succeeding Business Day after deposit with Federal Express or other similar overnight delivery system that maintains tracking and evidence of delivery.

3.6 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.

3.7 Counterparts. This Agreement may be executed in counterparts, all of which when taken together shall be deemed fully executed originals.

3.8 Electronic Signatures. By executing this Agreement, Buyer agrees that this Agreement, the Investor Questionnaire, the Trust Agreement and all other related documents (collectively, the "**Purchase Documents**") may be executed electronically. Buyer agrees that its electronic signature is the legal equivalent of its manual signature on the Purchase Documents. Buyer further agrees that its use of a keypad, mouse or other device to select an item, button, icon or similar act/action while using any electronic service we offer, or in accessing or making any transactions regarding any documents or agreements relating to the subject matter of the Purchase Documents, constitutes Buyer's signature ("**E-Signature**"), acceptance and agreement as if actually signed by Buyer in writing. Buyer also agrees that no certification, authority or other third party verification is necessary to validate its E-Signature and that the lack of such certification or third party verification will not in any way affect the enforceability of its E-Signature or any resulting contract between Buyer and Seller.

3.9 Attorneys' Fees. If either party commences litigation for the judicial interpretation, enforcement, termination, cancellation, or rescission hereof, or for damages (including liquidated damages) for the breach hereof against the other party, then, in addition to any or all other relief awarded in such litigation, the substantially prevailing party therein shall be entitled to a judgment against the other for an amount equal to reasonable attorneys' fees and court and other costs incurred.

3.10 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.

3.11 Choice of Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Delaware, without regard to its conflicts of laws principles. Subject to Section 3.18, all actions arising out of or relating to this Agreement shall be heard and determined exclusively by a court of competent jurisdiction located in Chicago, Illinois, and each party hereto expressly and irrevocably consents and submits to personal jurisdiction therein. The parties hereby knowingly, voluntarily, and intentionally waive any right to a trial by jury with respect to any litigation arising out of or relating to this Agreement.

3.12 Time. Time is of the essence with respect to all dates set forth in this Agreement.

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3.13 Third-Party Beneficiaries. Buyer and Seller do not intend to benefit any party 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.

3.14 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.

3.15 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.

3.16 ACCEPTANCE OR REJECTION OF BUYER'S OFFER. THIS AGREEMENT DOES NOT CONSTITUTE AN OFFER OF ANY KIND BY SELLER AND SHALL NOT BIND SELLER UNLESS DULY EXECUTED AND DELIVERED BY SELLER. TO SUBMIT AN OFFER, BUYER SHALL DELIVER TO SELLER: (I) ONE COMPLETED AND EXECUTED COUNTERPART OF THIS AGREEMENT; (II) AN EXECUTED SIGNATURE PAGE FOR THE TRUST AGREEMENT AND (III) THE INVESTOR QUESTIONNAIRE. SELLER SHALL HAVE 30 DAYS TO EITHER ACCEPT OR REJECT BUYER'S OFFER. IF SELLER DOES NOT ACCEPT BUYER'S OFFER WITHIN SUCH 30-DAY PERIOD, THE OFFER SHALL BE DEEMED REJECTED. IN THE EVENT THE OFFER IS REJECTED, THIS AGREEMENT SHALL NOT BECOME EFFECTIVE.

3.17 BINDING ARBITRATION. ANY DISPUTE OR CONTROVERSY ARISING OUT OF, OR RELATING TO, THIS AGREEMENT SHALL BE RESOLVED BY FINAL AND BINDING ARBITRATION BROUGHT IN CHICAGO, ILLINOIS, OR SUCH OTHER JURISDICTION AS MAY BE SELECTED BY THE SELLER, UNDER THE AUSPICES AND RULES OF JAMS, INC., AND THE PARTIES HERETO SUBMIT TO THE IN PERSONAM JURISDICTION OF SUCH TRIBUNAL AND WAIVE ANY OBJECTION THAT SUCH FORUM IS INCONVENIENT OR OTHERWISE IMPROPER. THE SUBSTANTIALLY PREVAILING PARTY OR PARTIES IN ANY SUCH ARBITRATION (AS DETERMINED BY THE ARBITRATOR) SHALL RECEIVE FROM THE OTHER PARTY OR PARTIES TO THE ARBITRATION SUCH PREVAILING PARTY'S (OR PARTIES') FEES AND COSTS OF ARBITRATION, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND COSTS, IN ADDITION TO ANY OTHER RELIEF TO WHICH SUCH PREVAILING PARTY OR PARTIES MAY BE ENTITLED.

3.18 WAIVER OF LEGAL RIGHTS. BY INITIALING IN THE SPACE BELOW, THE PARTIES ACKNOWLEDGE AND AGREE TO HAVE ANY DISPUTE ARISING OUT THE MATTERS INCLUDED IN THIS ARTICLE DECIDED BY NEUTRAL ARBITRATION AS PROVIDED UNDER APPLICABLE LAW AND THAT THEY ARE KNOWINGLY 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 EXCEPT TO THE EXTENT SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THIS ARTICLE. IF EITHER PARTY REFUSES TO SUBMIT TO ARBITRATION AFTER EXECUTION OF THIS AGREEMENT AND INITIALING BELOW, SUCH PARTY MAY BE COMPELLED TO ARBITRATE UNDER APPLICABLE LAW. EACH PARTY'S AGREEMENT TO THIS ARTICLE IS VOLUNTARY. THE PARTIES HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES OUT OF THE MATTERS INCLUDED IN THIS ARTICLE TO BINDING ARBITRATION.

_____ _____

Seller's Initials Buyer's Initials

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, this Purchase Agreement has been executed as of the Effective Date.

SELLER:

LANSING MI MULTIFAMILY DST,
a Delaware statutory trust

By: LANSING MI MULTIFAMILY MANAGER, LLC,
a Delaware limited liability company

By: TRILOGY REAL ESTATE GROUP, LLC, a Delaware limited liability company its sole member

By: TREG MANAGER, LLC, a Delaware limited liability company, its Managing Member

By:_____
Name:
Title:

Dated: _____

BUYER (or BUYERS, AS APPLICABLE):

By: _____

Print Name: _____

By: _____

Print Name: _____

Dated: _____

(NOTE: If you are married, and your primary state of residence is a community property state, which are currently Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin, and the Interests are to be held as your separate property, then your spouse must sign the Consent of Spouse form, Attachment A hereto.)

PARTIES MUST ALSO INITIAL SECTION 3.18

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SCHEDULE 1
DEFINED TERMS

This list of Defined Terms is attached to and forms a part of the Purchase Agreement.

"Administrative Trustee" means Lansing MI Multifamily Manager, LLC, a Delaware limited liability company.

"Business Day" means any day other than a Saturday or Sunday or legal holiday in the State of Delaware.

"Closing Date" shall have the meaning set forth in Section 2.3.

"Interest" shall have the meaning set forth in Section 1.1.

"Investor Questionnaire" means the Investor Questionnaire described in the Memorandum.

"Lender" means CBRE Multifamily Capital, Inc., a Delaware corporation.

"Memorandum" means the Confidential Private Placement Memorandum for the sale of Interests in Lansing MI Multifamily DST, dated December 15, 2021 as the same may from time to time be supplemented.

"Offering" means the offering of the Interests pursuant to the Memorandum.

"Purchase Price" shall have the meaning set forth in Section 1.1.

"Seller" shall have the meaning set forth in the preamble.

"Sponsor" means Trilogy Real Estate Group, LLC, a Delaware limited liability company.

"Transaction Documents" means this Agreement, the Investor Questionnaire and the Trust Agreement.

"Trust Agreement" means the Amended and Restated Trust Agreement of Lansing MI Multifamily DST dated as of December 2, 2021, executed or to be executed by Buyer.

"Trustees" means the Administrative Trustee and the Delaware Trustee (as defined in the Memorandum).

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ATTACHMENT A

CONSENT OF SPOUSE

(For individual prospective Investors in community property states, which are currently Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin)

I, _____, spouse of _____
[print name] [print name]
have read and hereby approve of the Investor Questionnaire and Subscription Agreement for Lansing MI Multifamily DST (the "Subscription Agreement"), which my spouse has signed. I hereby appoint my spouse as my attorney-in-fact with respect to the exercise of any rights related to a purchase of any such Interests and agree to be bound by the provisions of the Subscription Agreement and any other documents related to the purchase of any such Interests (collectively, the "Purchase Documents") insofar as I may have any rights in said Purchase Documents or any property or interest subject thereto under the community property laws of the State of _____ or similar laws relating to marital property in effect in the state of our residence as of the date of signing of the Subscription Agreement and/or the Purchase Documents.

Dated: _____, _____

_____
[signature]

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ATTACHMENT B

FORM W-9

[attached]

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EXHIBIT B

Trust Agreement

[Attached]

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AMENDED AND RESTATED TRUST AGREEMENT OF LANSING MI MULTIFAMILY DST A DELAWARE STATUTORY TRUST

This **AMENDED AND RESTATED TRUST AGREEMENT** of **LANSING MI MULTIFAMILY DST**, a Delaware statutory trust (the "**Trust**"), dated as of December 2, 2021 is made by and among Lansing MI Multifamily Depositor, LLC, a Delaware limited liability company (the "**Depositor**"), Lansing MI Multifamily Manager, LLC, a Delaware limited liability company, as administrative trustee (the "**Administrative Trustee**"), Steven P. Zimmer, as the independent trustee (the "**Independent Trustee**"), and any other person who subsequently signs this agreement (the "**Trust Agreement**") and becomes a party to it.

WHEREAS, the Depositor, the Administrative Trustee and the Corporation Trust Company, as Delaware trustee (the "**Delaware Trustee**" and, together with the Administrative Trustee and the Independent Trustee, the "**Trustees**") formed the Trust as a "statutory trust" pursuant to and in accordance with the Delaware Statutory Trust Act (Title 12, Chapter 38 §3801 et. seq.), as amended from time to time (the "**Act**") by filing the Certificate of Trust with the Delaware Secretary of State on October 14, 2021, and intend that this Trust Agreement constitute the "governing instrument" of the Trust (as such term is defined in Section 3801(c) of the Act);

WHEREAS, the Depositor, the Administrative Trustee and the Delaware Trustee entered into that certain Trust Agreement of Lansing MI Multifamily DST, dated as of December 2, 2021 (the "**Original Trust Agreement**");

WHEREAS, the Trust shall purchase real estate and improvements located at 4540 Collins Rd, Lansing, MI 48910, commonly known as Volaris Lansing Apartments (the "**Real Estate**");

WHEREAS, the Real Estate will be subject to the Master Lease (as hereinafter defined);

WHEREAS, the Real Estate will be subject to the Loan (as hereinafter defined);

WHEREAS, the Depositor owns 99% of the Interests and Beneficial Owner owns 1% of the Interests;

WHEREAS, it is anticipated that certain Persons will purchase from the Trust up to ninety-nine percent (99%) of the Interests (as defined below) in exchange for payment of money and become Investors, as such terms are defined herein, pursuant to a private placement of the Interests, and that the proceeds of the private placement will be used by the Administrative Trustee to pay certain expenses and fees and to return to the Depositor all or a portion of its capital contributions in reduction of all or a portion of its Interests in the Trust, as the case may be, as set forth in the Private Placement Memorandum (as hereinafter defined);

WHEREAS, the Beneficial Owner will retain its one percent (1%) Interest in the Trust; and

WHEREAS, in anticipation of the issuance of the Private Placement Memorandum, the Depositor, the Delaware Trustee and the Administrative Trustee have determined that it is advisable to amend and restate in its entirety the Original Trust Agreement.

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NOW, THEREFORE, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS

For all purposes of this Trust Agreement, the capitalized terms set forth below shall have the following meanings:

"**Administrative Trustee**" shall have the meaning set forth in the preamble.

"**Affiliate**" shall mean, with respect to any specified Person, any other Person owning beneficially, directly or indirectly, any ownership interest in such specified Person or directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"**Control**" shall mean (whether capitalized or not), with respect to any specified Person, the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing. Without limiting the generality of the foregoing, a Person shall be deemed to Control any other Person in which it owns, directly or indirectly, more than fifty percent (50%) of the ownership interests.

"**Delaware Trustee**" shall have the meaning set forth in the recitals.

"**Depositor**" shall have the meaning set forth in the preamble.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"**Independent Trustee**" shall have the meaning set forth in the preamble.

"**Interest**" shall mean, with respect to an Investor, such Investor's beneficial ownership interest in the Trust Property, which is reflected on Schedule 1 attached hereto and made a part hereof. All Interests shall be of a single class. When 99% of the Interest have been redeemed from the Depositor, Schedule 1 will be updated accordingly.

"**Investor(s)**" shall mean the Depositor, to the extent it retains an Interest, each holder of an Interest and each of their successors in interest as beneficiaries of the Trust pursuant to Article III.

"**Lender**" shall mean CBRE Multifamily Capital, Inc., a Delaware corporation, and its successors and assigns, with respect to the Loan.

"**Loan**" shall mean that certain loan from the Lender in the amount of $43,878,000 made to the Trust by the Lender.

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"**Loan Documents**" shall mean any and all documents evidencing or securing the Loan or any assumptions thereof including, without limitation, any promissory note, mortgage, assignment of leases and rents, indemnity agreement, guaranty certificate, escrow agreement, consent or subordination agreement or the functional equivalent of any of the aforementioned, and any and all other documents related to the Loan.

"**Majority**" shall mean more than fifty percent (50%).

"**Master Lease**" shall mean that certain Master Lease between the Trust, as landlord and the Master Tenant, as tenant, with respect to the Real Estate.

"**Master Tenant**" shall mean Lansing MI Multifamily Master Tenant, LLC, a Delaware limited liability company.

"**Original Trust Agreement**" shall have the meaning set forth in the recitals.

"**Percentage**" shall mean, with respect to a particular Investor, the percentage beneficial ownership interest of such Investor in the Trust Property as reflected on Schedule 1 attached hereto and made a part hereof (including any updates of Schedule 1 to reflect transfers of Interests that satisfy the provisions of Article III), and the rights, obligations, benefits and burdens associated with such beneficial ownership interest.

"**Person**" shall mean a natural person, corporation, limited partnership, general partnership, limited liability company, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, statutory trust or other organization, whether or not a legal entity, and a government or agency or political subdivision thereof.

"**Plan Asset Rules**" shall mean 29 Code of Federal Regulations Section 2510.3-101, as amended from time to time.

"**Private Placement Memorandum**" shall mean the memorandum and related documents distributed to prospective Investors that provides such persons with information relating to an investment in the Interests.

"**Real Estate**" shall have the meaning set forth in the recitals.

"**Regulations**" shall mean U.S. Treasury Regulations promulgated under the Code.

"**Section**" shall mean a section in this Trust Agreement, unless otherwise modified.

"**Special Purpose Entity**" shall mean an entity, whose organizational documents contain restrictions on its activities and impose requirements intended to preserve such entity's separateness that are substantially identical to the special purpose provisions set forth in the Loan Documents.

"**Transaction Documents**" shall mean the Trust Agreement, the Master Lease and the Loan Documents.

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"**Trust**" shall have the meaning set forth in the preamble.

"**Trust Agreement**" shall have the meaning set forth in the preamble.

"**Trust Property**" shall mean all right, title and interest of the Trust in and to any property owned by the Trust, including the Real Estate.

ARTICLE II
FORMATION OF TRUST

2.01 Name. The Trust created hereby shall be known as Lansing MI Multifamily DST.

2.02 Registered Office and Agent; Principal Place of Business.

(a) The name and address of the registered agent of the Trust in the State of Delaware is the Corporation Trust Company, located at Corporation Trust Center, 1209 N Orange Street, in the City of Wilmington, Delaware, 19801. The Administrative Trustee may from time to time in accordance with the Act change any of the Trust's registered agents and/or registered offices and designate a registered agent and registered office in each state the Trust is required to maintain or appoint one.

(b) The principal place of business of the Trust shall be at such place as the Administrative Trustee shall designate from time to time by notice to the Investors, which need not be in the State of Delaware. The initial principal place of business of the Trust shall be 520 West Erie Street, Suite 100, Chicago, IL, 60654.

2.03 Purposes. The purposes of the Trust are to engage in the following activities: (i) to acquire and own the Real Estate and any related personal property; (ii) to enter into or assume and comply with the terms of the Transaction Documents; (iii) to conserve, protect and dispose of the Real Estate; and (iv) to take such other actions as the Administrative Trustee deems necessary or advisable to carry out the foregoing. For the avoidance of doubt, without further action or authorization of any Person, and consistent with Sections 7.01(d) and 7.02 of this Agreement, the Trust and the Administrative Trustee on behalf of the Trust are hereby authorized to acquire the Real Estate (including entering into any agreements to effectuate such acquisition), enter into the Loan Documents, enter into and assume the Master Lease, and to take such other actions as are required in order to effectuate the actions authorized by this sentence notwithstanding any other provision of this Agreement, the Act or applicable law, rule or regulation. All lawful acts and activities of the Trust, in the name or on behalf of the Trust, are approved, confirmed, and ratified in all respects. The Administrative Trustee is hereby authorized to enter into the Trust Agreement, to serve as administrative trustee of the Trust, and to execute on behalf of the Trust, the Loan Documents, the Transaction Documents and the Master Lease, and to take such other actions on behalf of the Trust as contemplated under Section 2.03 of the Trust Agreement. The Master Tenant is hereby authorized to enter into the Master Lease, in its capacity as tenant, and to take all such other actions as necessary thereby. The Trust shall hold the Trust Property for investment purposes and only engage in activities which are customary services in connection with the maintenance and repair of the Real Estate. Neither the Administrative Trustee, Investors, nor their agents shall provide services: (a) that are not "customary services" within the meaning of Revenue Ruling 75-374, 1975-2 C.B. 261; (b) the payment for which would not qualify as "rents from real property"

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within the meaning of Code Section 512(b)(3)(A)(i) and the Regulations thereunder; or (c) the payment for which would not qualify as "rents from real property" within the meaning of Code Sections 856(c)(2)(C) and 856(c)(3)(A) and the Regulations thereunder. The Trust shall conduct no business other than as specifically set forth in this Section 2.03.

2.04 Declaration of Trust by Administrative Trustee. The Administrative Trustee hereby declares that it will hold the Trust Property upon the terms and conditions herein for the benefit of the Investors, subject to the obligations of the Trust under the Master Lease, the Loan Documents and other relevant agreements. It is the intention of the parties hereto that the Trust constitute a "statutory trust" under Chapter 38 of Title 12 of the Delaware Code. In accordance with the Original Trust Agreement, the Administrative Trustee caused the filing of a Certificate of Trust (the "**Certificate of Trust**") with the Secretary of State of the State of Delaware (the "**Secretary of State**") pursuant to Section 3810 of Title 12 of the Act. It is the intention of the parties hereto that the Trust shall not constitute an agency, partnership, corporation, association or business trust for federal income tax purposes. Each Investor shall have an undivided beneficial ownership interest in the Trust Property as provided in Section 3805(a) of the Act. Each Investor agrees to report its interest in the Trust for federal income tax purposes in a manner consistent with the foregoing and otherwise not to take any action that would be inconsistent with the foregoing.

2.05 Limitation on Certain Activities.

(a) This Section 2.05 is being adopted solely for the benefit of the Lender in order to comply with certain provisions of the Loan Documents necessary to qualify the Trust as a "special purpose entity" and accordingly is enforceable against the Trust and the Administrative Trustee solely by the Lender pursuant to Section 11.10 of this Trust Agreement.

(b) The Trust will not, without the prior written consent of the Administrative Trustee, and such other entities as may be required under the Trust Agreement or at law, take any of the following actions:

(i) File any insolvency, reorganization case or proceeding, to institute proceedings to have Borrower or Master Tenant be adjudicated bankrupt or insolvent.

(ii) Institute proceedings under any applicable insolvency law.

(iii) Seek relief under any law relating to relief from debts or the protection of debtors.

(iv) Consent to the filing or institution of bankruptcy or insolvency proceedings against Borrower or Master Tenant.

(v) File a petition seeking, or consent to, reorganization or relief with respect to Borrower or Master Tenant under any applicable federal or state law relating to bankruptcy or insolvency.

(vi) Seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official for Borrower or Master

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Tenant or a substantial part of Borrower's or Master Tenant's property.

(vii) Make any assignment for the benefit of creditors of Borrower or Master Tenant.

(viii) Admit in writing Borrower's or Master Tenant's inability to pay its debts generally as they become due.

(ix) Take action in furtherance of any of the foregoing.

(c) Notwithstanding any provisions of this Trust Agreement and any provision of law that otherwise so empowers the Administrative Trustee or the Investors, so long as any obligation evidenced or secured by any of the Loan Documents remains outstanding and not discharged in full and the lien of the mortgage has not been released, neither the Trust, the Administrative Trustee nor any other Person on behalf of the Trust shall have any authority to do any of the following without the Lender's prior written consent:

(i) file a certificate of division, adoption of a plan of division, amendment of any organizational documents, or permit, consent to, or take any other in order to divide a Person into two or more Persons pursuant to a plan of division such as contemplated under the Act, the Delaware Limited Liability Company Act or any other similar requirement of law in any jurisdiction;

(ii) engage in any business or activity other than those set forth in Section 2.03 of this Trust Agreement;

(iii) perform any act in contravention of or constituting an event of default under the Loan Documents;

(iv) borrow money or incur indebtedness other than the Loan, normal trade accounts payable and lease obligations in the normal course of business (subject to the limitations contained in the Loan Documents), or grant consensual liens on the Trust's property other than in connection with the Loan;

(v) amend, alter, change or repeal any provision of this Trust Agreement (except to the extent otherwise permitted pursuant to the terms and conditions of the Loan Documents);

(vi) issue or distribute (in termination of the Trust or otherwise) tenancy in common interests or other partial interests in the Real Estate to the Investors or to any other Person; and

(vii) except as provided in Sections 9.02 and 9.03 of this Trust Agreement, dissolve, liquidate, wind up, consolidate or combine with any other entity, merge or sell, transfer, encumber (except with respect to the Lender), lease or otherwise

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dispose of the Trust's assets.

(d) Notwithstanding any other provision of this Trust Agreement, so long as any obligation evidenced or secured by any of the Loan Documents remains outstanding and not discharged in full and the lien of the mortgage has not been released, the Administrative Trustee shall cause the Trust at all times to:

(i) observe statutory formalities with respect to the administration of the Trust and in the conduct of the Trust's activities; and

(ii) prepare separate financial statements and, if the Trust is not treated for federal, state or local income tax purposes as a disregarded entity, file its tax returns, if any, separate from those of any other Person, and not file consolidated tax returns with any other Person.

(e) Notwithstanding any other provision of this Trust Agreement, so long as any portion of the Loan remains outstanding, the Administrative Trustee also shall cause the Trust to, and the Trust shall comply with, the covenants set forth in the Loan Documents.

(f) So long as any obligation evidenced or secured by any of the Loan Documents remains outstanding and not discharged in full and the lien of the mortgage has not been released, Borrower and Tenant shall comply with the following:[1]

(i) neither such entity shall acquire, lease, or operate any real property, personal property, or assets other than, pursuant to the Master Lease, the fee or leasehold interest in the Property, as applicable;

(ii) neither such entity shall acquire, own, operate, or participate in any business other than, as lessor pursuant to the Master Lease, the leasing, ownership, management, operation, and maintenance of the Property;

(iii) neither such entity shall commingle its assets or funds with those of any other Person, unless such assets or funds can easily be segregated and identified in the ordinary course of business from those of any other Person;

(iv) each such entity shall maintain its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person (unless such entity's assets are included in a consolidated financial statement prepared in accordance with generally accepted accounting principles); provided the beneficial interest holders of Borrower may also include their share of the assets on their personal financial statements;

(v) each such entity shall have no material financial obligation under any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, other agreement or instrument to which it is a party or by which it is otherwise bound, or to which

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1 Conform defined terms.

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the Property is subject or by which it is otherwise encumbered, other than:

(vi) unsecured trade payables incurred in the ordinary course of the operation of the Property (exclusive of amounts (a) to be paid out of the Replacement Reserve Account or Repairs Escrow Account, or (b) for rehabilitation, restoration, repairs, or replacements of the Property or otherwise approved by Lender) so long as such trade payables 1. are not evidenced by a promissory note, 2. are payable within sixty (60) days of the date incurred, and 3. as of any date, do not exceed, in the aggregate, two percent (2%) of the original principal balance of the Loan; provided, however, that otherwise compliant outstanding trade payables may exceed two percent (2%) up to an aggregate amount of four percent (4%) of the original principal balance of the Loan for a period (beginning on or after December 2, 2021) not to exceed ninety (90) consecutive days;

(vii) if the Security Instrument grants a lien on a leasehold estate, Borrower's obligations as lessee under the ground lease creating such leasehold estate;

(viii) obligations under the Loan Documents and obligations secured by the Property to the extent permitted by the Loan Documents; and

(ix) obligations under the Permitted Encumbrances;

(x) neither Borrower nor Tenant shall assume, guaranty, or pledge its assets to secure the liabilities or obligations of any other Person (except, with respect to Borrower only, in connection with the Loan or other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement or similar instrument) or hold out its credit as being available to satisfy the obligations of any other Person;

(xi) neither Borrower nor Tenant shall make loans or advances to any other Person;

(xii) other than the Master Lease, neither Borrower nor Tenant shall enter into, or become a party to, any transaction with any Borrower Affiliate (or Affiliate of an Tenant), except in the ordinary course of business and on terms which are no more favorable to any such Borrower Affiliate (or Affiliate of Tenant) than would be obtained in a comparable arm's-length transaction with an unrelated third party, provided that neither Borrower's acquisition of the Property nor Borrower's entry into and performance of its obligations under the Master Lease Documents shall be deemed to breach this covenant;

(xiii) Borrower shall have at all times an Independent Trustee in compliance with the provisions of Section 7.01; or

(xiv) neither Borrower nor Tenant shall Divide (as defined in the Loan Agreement).

2.06 Operative Timing Related to Certain Provisions of this Trust Agreement. Notwithstanding anything else in this Trust Agreement to the contrary, the following sections of

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this Trust Agreement shall be of no force or effect until the Trust has more than one Investor, at which time they shall become fully operative: (a) Section 7.03; (b) Section 7.06 (solely to the extent it refers to Section 7.03); (c) Section 9.02; (d) Section 9.03; and (e) Section 11.09 (solely with respect to the clause limiting amendments that would "vary the investment" of the Investors).

2.07 Beneficial Ownership Interests.

(a) Each beneficial ownership interest in the Trust shall constitute and shall remain a "security" within the meaning of (i) Section 8-102(a)(15) of the Uniform Commercial Code as in effect from time to time in the States of Delaware and New York and (ii) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. Notwithstanding any provision of this Trust Agreement to the contrary, to the extent that any provision of this Trust Agreement is inconsistent with any non-waivable provision of Article 8 of the Uniform Commercial Code as in effect in the State of Delaware (6 Del C. § 8-101, et. seq.) (the "**UCC**"), such provision of Article 8 of the UCC shall be controlling.

(b) The Trust shall not permit the beneficial ownership interests in the Trust to be represented by an instrument issued in bearer or registered form, or to constitute certificated securities as defined in Article 8 of the UCC. The Trust shall not take any action or permit any action to be taken that would revoke, cancel or change the election set forth in Section 2.07(a) for the beneficial ownership interests in the Trust to constitute securities under Article 8 of the UCC.

(c) The Trust shall maintain books for the purpose of registering the transfer of beneficial ownership interests.

ARTICLE III
TRANSFER OF INTERESTS

3.01 Restrictions on Transfer. Subject to Section 3.02, no Interest, or any portion thereof, may be assigned, pledged, encumbered or transferred (each a "**Proposed Interest Transfer**") without the prior consent of the Administrative Trustee. The Administrative Trustee's consent to each Proposed Interest Transfer is subject to the sole discretion of the Administrative Trustee, including, but not limited to, the satisfaction as determined in the sole discretion of the Administrative Trustee, of the following:

(a) that such Proposed Interest Transfer complies with all applicable securities laws;

(b) that such Proposed Interest Transfer complies with all transfer restrictions and requirements set forth in the Loan Documents and does not itself or in combination with any other prior Interest transfer or Proposed Interest Transfer constitute an event of default under the Loan Documents;

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(c) that such Proposed Interest Transfer would not result in the Trust having to register as an investment company under the Investment Company Act of 1940, as amended, or require the Trust or any trustee to register as an investment adviser under the Investment Advisers Act of 1940, as amended;

(d) that such Proposed Interest Transfer does not cause the Trust Property to become "plan assets" (as defined in the Plan Asset Rules) subject to the fiduciary standards of Part 4 of Subtitle B of Tile I of ERISA and Code Section 4975;

(e) that the transferor and transferee(s) in such Proposed Interest Transfer shall have executed documents to effectuate such transfer that are satisfactory to the Administrative Trustee, including that the transferee(s) shall have executed a written acceptance and adoption of this Trust Agreement; and

(f) that all expenses of such Proposed Interest Transfer shall have been paid by the transferor and/or transferee(s) as such persons may agree.

3.02 Transfers for Family and Estate Planning Purposes. The consent of the Administrative Trustee shall not be unreasonably conditioned, withheld or delayed with respect to any Proposed Interest Transfer by an Investor to: (i) a revocable trust or an entity created for the primary benefit of the Investor, or any combination between or among the Investor, the Investor's spouse, and the Investor's issue (or to the Investor creating such trust or to any other permitted transferee hereunder, upon the termination of such trust); (ii) an Investor's spouse or third party upon a divorce decree or marital settlement or turnover order; (iii) the court-appointed guardian or custodian of an Investor; (iv) the executor(s) of a deceased Investor's estate (on a temporary basis pending final resolution of such estate); and (v) the heirs and devisees of a deceased Investor's estate.

ARTICLE IV
DISTRIBUTIONS

4.01 Payments From Trust Property Only. Except as determined by the Administrative Trustee in its sole discretion and as is consistent with the status of the Trust described in Section 5.01(c), all payments to be made by the Administrative Trustee under this Trust Agreement shall be, directly or indirectly, from the Trust Property. Notwithstanding any provision to the contrary contained in this Trust Agreement, the Trust shall not be required to make a distribution to a trustee on account of its interest in the Trust if such distribution would violate the Act or any other applicable law.

4.02 Distributions in General. The Administrative Trustee shall distribute all available cash as determined pursuant to Section 4.01 to the Investors in accordance with their Percentages on a monthly basis, after paying or reimbursing the Administrative Trustee for any fees or expenses paid or incurred by the Administrative Trustee on behalf of the Trust, paying debt service on the Loan and related expenses and retaining such additional amounts as are necessary to pay anticipated ordinary current and future Trust expenses. Amounts of cash retained pursuant to this paragraph shall only be invested 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

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accounts of any bank or trust company having a minimum stated capital and surplus of $50,000,000. All such obligations must mature prior to the next distribution date, and be held to maturity. All amounts distributable to the Investors 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 the Investors, as instructed from time to time by the Investors.

ARTICLE V
RIGHTS, OBLIGATIONS AND REPRESENTATIONS OF INVESTORS

5.01 Status of Relationship.

(a) This Trust Agreement shall not be interpreted to impose a partnership or joint venture relationship on the Investors either at law or in equity. Accordingly, no Investor shall have any liability for the debts or obligations incurred by any other Investor, with respect to the Trust Property, or otherwise, and no Investor shall have any authority, other than as specifically provided herein, to act on behalf of any other Investor or to impose any obligation with respect to the Trust Property.

(b) For so long as there is only one (1) Investor that is an owner of the Trust, any Trust Property held at such time will be treated for federal income tax purposes as the property of the sole Investor.

(c) At such time as there is more than one (1) Investor that is an owner of Trust, the Trust shall not constitute a business entity for federal income tax purposes, but shall instead constitute an investment trust pursuant to Regulation Section 301.7701-4(c); and a Grantor Trust under Subpart E of Part 1, Subchapter J of the Code (Code Sections 671 and following).

(d) Legal title to the Trust Property, including the Real Estate, shall be held by the Trust, and the Investors shall not have legal title to the Trust Property. Neither the bankruptcy, death or other incapacity of any Investor nor the transfer, by operation of law or otherwise, of any right, title or interest of the Investors in and to the Trust Property or hereunder shall terminate this Trust Agreement. Except as expressly set forth herein, the Investors shall not be liable for any liabilities or obligations of the Trust or the Administrative Trustee or for the performance of the Trust Agreement.

5.02 In-Kind Distributions; Waiver of Partition; Nature of Interest. To the fullest extent permitted by law, and consistent with Section 3805 of the Act, no Investor or any additional Investor admitted to the Trust shall have, and each Investor and each additional Investor hereby completely and irrevocably waives, any and all power or right: (a) to cause the Trust or any of its assets to be partitioned or divided or to demand or receive an in-kind distribution of the Trust Property; (b) to cause the appointment of a receiver for all or any portion of the assets of the Trust; (c) to compel any sale of all or any portion of the assets of the Trust pursuant to any applicable law; or (d) to file a complaint or to institute any proceeding at law or in equity to cause the bankruptcy, dissolution, liquidation, winding up or termination of the Trust. No Investor shall have any interest in any specific assets of the Trust, and no Investor shall have the status of a creditor with respect to any distribution pursuant to Section 4.02 hereof. The interest of each Investor in the Trust is personal property.

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5.03 Role of Investors. For the avoidance of doubt, except solely as provided in Article X with respect to the appointment of a successor Administrative Trustee, Investors shall have no right to make decisions for, or to operate or manage, the Trust. The Investors' sole right with respect to the Trust shall be limited to the right to receive distributions as provided under Section 4.02. Each Investor's Interest in the Trust is personal property. Accordingly, by way of illustration and not limitation, any sale or other conveyance of the Trust Property or any part thereof by the Administrative Trustee made pursuant to the terms of this Trust Agreement shall bind the Investors and be effective to transfer or convey all rights, title and interest of the Administrative Trustee and the Investors in and to the Trust Property.

5.04 Subordination to Loan Documents. To the fullest extent permitted by law and while the Loan Documents remain in effect, any and all rights of the Investors pursuant to the terms of this Trust Agreement are subordinate to the rights of the Lender under the Loan Documents.

5.05 Representations, Warranties and Acknowledgments of Investors. Each Investor, by executing a counterpart signature page to this Trust Agreement, represents, warrants and acknowledges to the Trust and to the Administrative Trustee as follows:

(a) the execution, delivery and performance of this Trust Agreement (i) has been duly authorized by such Investor, (ii) does not require such Investor to obtain any consent or approval that has not been obtained and (iii) does not contravene or result in a default under (A) any provision of any law or regulation applicable to such Investor, (B) the governing documents of such Investor or (C) any agreement or instrument to which such Investor is a party or by which such Investor is bound.

(b) that this Trust Agreement is valid, binding and enforceable against such Investor in accordance with its terms.

(c) that such Investor is (i) a citizen or resident of the United States for federal income tax purposes, (ii) a corporation (or other entity taxable as a corporation for United States 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 United States 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 United States court and the trust has one or more United States 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 United States person.

(d) that such Investor acknowledges and accepts the power, authority and duties vested in the Administrative Trustee pursuant to this Trust Agreement, and the limitations on the duties of the Administrative Trustee to the Investors set forth in this Trust Agreement, including but not limited to the limitations set forth in Section 2.05 and Section 6.02 of this Trust Agreement.

ARTICLE VI
TRUST MANAGEMENT

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6.01 Acceptance of Trust and Duties. The Delaware Trustee accepts the Trust hereby created and agrees to perform its duties as so provided herein. The Administrative Trustee accepts its duties as Administrative Trustee as set forth in this Trust Agreement, including, but not limited to, receiving and disbursing all money received by them constituting part of the Trust Property, subject to the Master Lease, the Loan Documents and other relevant agreements.

6.02 Limitation on Fiduciary Duties of Delaware Trustee and Administrative Trustee. Consistent with Sections 3803(b), 3806(c), 3806(d) and 3806(e) of the Act, to the fullest extent permitted by law, the duties and liabilities of the Administrative Trustee to the Trust and the Investors pursuant to this Trust Agreement are expressly limited as follows:

(a) The Administrative Trustee shall not be individually answerable or accountable for their omissions or actions on behalf of the Trust, except: (i) for their own willful misconduct or gross negligence; (ii) for the inaccuracy of any of their representations or warranties contained in Section 6.05 hereof; (iii) for their failure to comply with Section 7.03; (iv) for their own income taxes based on fees, commissions or compensation received as Delaware Trustee or Administrative Trustee, as applicable; or (v) for the failure to use ordinary care to disburse money received by them in accordance with the terms hereof.

(b) The Investors hereby acknowledge and agree that the Administrative Trustee and its Affiliates engage in business activities other than acting as Administrative Trustee and Administrative Trustee hereunder, and each Investor hereby waives any claim or cause of action against the Delaware Trustee and Administrative Trustee as a result of any potential or actual conflict of interest arising as a result of any such business activity. Such business activities include, but are not limited to: (i) receiving fees related to the acquisition of the Trust Property; (ii) owning an interest in and receiving distributions of income from the Trust Property; (iii) engaging directly or indirectly in business activities that may relate to the Trust Property; (iv) acquiring, or sponsoring the acquisition of interests by investors in, parcels of real property that may compete with the Trust Property; and (v) undertaking obligations (including obligations as trustees and/or managers) to entities other than the Trust.

6.03 Not Acting in Individual Capacity. Except as otherwise provided in this Article VI, and pursuant to Section 3803(b) of the Act, the Delaware Trustee and the Administrative Trustee act solely as Administrative Trustee hereunder and not in their individual capacities, and all Persons other than the Investors having any claim against the Delaware Trustee or Administrative Trustee by reason of the transactions contemplated hereby shall look only to the Trust Property for payment or satisfaction thereof, but subject to the liens and other obligations created pursuant to the Master Lease and Loan Documents.

6.04 Authority of Administrative Trustee. The Administrative Trustee shall manage, control, dispose of or otherwise deal with the Trust Property consistent with its duties to conserve and protect the Trust Property, subject to any restrictions required by the Loan Documents, or otherwise provided in this Trust Agreement.

6.05 Representations or Warranties as to Trust Property or Documents. The Delaware Trustee and the Administrative Trustee make no representation or warranty as to: (i) the title, value, condition or operation of the Trust Property; and (ii) the validity or enforceability of

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any Transaction Document or as to the correctness of any statement contained in any thereof, except as expressly made by the Administrative Trustee in its individual capacity. The Administrative Trustee represents and warrants to the Investors that this Trust Agreement has been authorized, executed and delivered by the Administrative Trustee.

6.06 Reliance. The Trust Management shall not be liable to anyone for relying on any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by them to be genuine and signed by the proper parties. The Trust Management may accept a copy of a resolution of the board of directors or other governing body of any corporate party, certified by the secretary or a senior officer thereof, as conclusive evidence that such resolution has been duly adopted by such body and that the same is in full force and effect. As to any fact or matter, the manner of ascertainment of which is not specifically prescribed herein, the Administrative Trustee may for all purposes hereof rely on an officer's certificate of the relevant Person (if not an individual) as to such fact or matter, and such certificate shall constitute full protection to the Administrative Trustee for any action taken, suffered or omitted by it in good faith in reliance thereon.

6.07 Advice of Counsel. In the administration and interpretation of the Trust, the Administrative Trustee may perform any of its powers and duties, directly or through agents or attorneys and may consult with counsel, accountants and other skilled Persons selected and employed by it. The Administrative Trustee shall not be liable for anything done or omitted in good faith in accordance with the advice or opinion within the scope of competence of any such counsel, accountant or other skilled Persons selected with due care.

6.08 Compensation.

(a) The Delaware Trustee shall receive as compensation for its services an initial fee, monthly fees and document execution fees as agreed to by the Delaware Trustee and the Trust in a separate agreement. The compensation to be provided to the Independent Trustee for services as Independent Trustee shall be provided for in a separate agreement between the Independent Trustee and the Trust.

(b) Asset management services shall be rendered to the Trust by Trilogy Real Estate Group, LLC (in such capacity the "**Asset Manager**"). The Asset Manager shall receive a one-time fee for such services for the duration of the existence of the Trust (including any successor to the Trust pursuant to Article IX) in the aggregate maximum amount of $1,295,000, or such other amount as may be agreed by the Trust and the Asset Manager, which shall be paid in connection with the offering of Interests described in the Private Placement memorandum.

ARTICLE VII
DUTIES OF THE ADMINISTRATIVE TRUSTEE

7.01 Duties of the Trustees in General.

(a) The Trustees shall only have the duties and obligations expressly provided in this Trust Agreement.

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(b) The Delaware Trustee is appointed to serve as the Delaware trustee of the Trust in the State of Delaware for the purpose of satisfying the requirement of Section 3807(a) of the Act that the Trust have at least one trustee with a principal place of business in Delaware. The Independent Trustee is appointed to serve as a trustee of the Trust for the purpose of satisfying the Lender's requirement that the Trust have an independent trustee, and notwithstanding any provisions of this Trust Agreement, so long as any obligation evidenced or secured by any of the Loan Documents remains outstanding and not discharged in full and the lien of the Loan Documents has not been released, the Trust shall continue to be an entity with at least one independent trustee which shall meet the following criteria: a natural person, corporation or limited liability company who is not, and in the case of a corporation or limited liability company whose officers, directors, stockholders, members and managers are not, at the time of initial appointment as the independent trustee, and has not been at any time during the five years preceding such initial appointment, any of the following: (i) a stockholder, beneficial owner, director, manager, officer, trustee (other than in its capacity as a resident trustee as required by Section 3807 of the Act or as an independent trustee), employee, partner, member, attorney or counsel of the Trust, the Administrative Trustee, the Master Tenant or any of their Affiliates; (ii) a creditor, customer, supplier or other person who derives any of its purchases or revenues from its activities with the Trust, the Administrative Trustee, the Master Tenant or any of their Affiliates, other than a Person that is an independent trustee provided by a nationally-recognized company that provides professional independent trustees, directors and managers in the ordinary course of its business; (iii) a Person controlling or under common control with any Person excluded from serving as independent trustee under (i) or (ii) above; or (iv) a member of the immediate family by blood or marriage of any Person excluded from serving as independent trustee under (i) or (ii) above.

(c) It is understood and agreed by the parties hereto that the Delaware Trustee shall have none of the duties or liabilities of the Administrative Trustee. The duties and obligations, and the authority, of the Delaware Trustee in its capacity as Delaware trustee of the Trust in the State of Delaware shall be limited to: (i) accepting legal process served on the Trust in the State of Delaware; (ii) executing of any certificates required to be filed with the Delaware Secretary of State which the Delaware Trustee is required to execute under Section 3811 of the Act; and (iii) any other duties specifically allocated to the Delaware Trustee as the Delaware trustee in the Trust Agreement. The duties and obligations, and the authority, of the Independent Trustee in its capacity as independent trustee shall be limited to consenting or not consenting to any proposed action of the Trust as provided in the Loan Documents. To the extent that, at law or in equity, the Delaware Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust or the Investors, it is hereby understood and agreed by the other parties hereto that such duties and liabilities are replaced by the duties and liabilities of the Delaware Trustee expressly set forth in this Trust Agreement. To the fullest extent permitted by law, including Section 3806(c) of the Act, the Independent Trustee, when acting in its capacity as independent trustee, shall consider only the interests of the Trust, including its creditors, in acting or voting on the matters provided in the Loan Documents. To the fullest extent permitted by law, including Section 3806(d) of the Act, except for duties to the Trust as set forth in the immediately preceding sentence the Independent Trustee, in its capacity as independent trustee, shall not have any fiduciary duties to the Administrative Trustee, the Investors or any other Person bound by this Trust Agreement; provided, however, the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing. To the fullest extent permitted by law, including Section 3806(e), the Delaware Trustee, shall not be liable to the Trust, the Administrative Trustee, the Investors, or any other Person bound by this

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Trust Agreement for breach of contract or breach of duties (including fiduciary duties), unless the Delaware Trustee acted in bad faith or engaged in willful misconduct. In addition, no Independent Trustee may be removed unless his or her successor has been elected.

(d) Except as provided in Section 7.01(c) above, the Administrative Trustee and the Independent Trustee are hereby authorized and directed to enter into any agreement permitted or directed by this Trust Agreement without the consent or signature of the Delaware Trustee including, without limitation, the Loan Documents and other Transaction Documents. The Delaware Trustee, in its role as Delaware trustee, is authorized and directed to enter into such other documents and take such other actions as the Administrative Trustee shall specifically direct in written instructions delivered to the Delaware Trustee; provided, however, that the Delaware Trustee will take such action merely in a ministerial nondiscretionary capacity, as directed by the Administrative Trustee, and any such action shall not subject the Delaware Trustee to any liability, and provided further, however, that no Delaware Trustee shall be required to take any action if such Delaware Trustee shall determine, or shall be advised by counsel, that such action is likely to result in personal liability to such Delaware Trustee or is contrary to applicable law or any agreement to which such Delaware Trustee is a party.

(e) The Administrative Trustee has also been appointed hereunder to satisfy such legal or administrative requirements as may be necessary or prudent to carry out the duties of the Trust with respect to the Loan Documents and other Transaction Documents or any Trust Property to the extent that the Delaware Trustee is not required to do so under applicable law or this Agreement.

7.02 Actions of Administrative Trustee. The Administrative Trustee is hereby authorized and directed to take (subject, however, in all respects, to Section 2.05), or cause the Trust to take, any and all necessary actions to conserve and protect the Trust Property, including, but not limited to:

(a) acquiring, owning, conserving, protecting and selling the Trust Property;

(b) entering into and/or assuming and complying with the terms of the Master Lease, the Loan Documents and any other Transaction Documents;

(c) collecting rents and making distributions in accordance with Article IV;

(d) entering into any agreement for purposes of completing tax-free exchanges of real property for Investors with each such Investor's "qualified intermediary" as defined in Section 1031 of the Code and the Treasury Regulations thereunder;

(e) notifying the relevant parties of any default by them under the Transaction Documents;

(f) solely to the extent necessitated by the bankruptcy or insolvency of a tenant, renegotiating the Master Lease or entering into a new lease with respect to the Real Estate or negotiating or financing any debt secured by the Real Estate;

(g) notifying the Lender of any default under this Trust Agreement; and

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(h) taking any action which, in the reasoned opinion of tax counsel to the Trust, should not have an adverse effect on the treatment of the Trust as an "investment trust" within the meaning of Treasury Regulation Section 301.7701-4(c).

7.03 Prohibited Actions. Notwithstanding any other provision in this Trust Agreement, the Administrative Trustee shall not have the power to take any of the following actions, if the exercise of such action or actions would constitute a power under the Trust Agreement to "vary the investment of the certificate holders" as defined by Regulation Section 301.7701-4(c)(1): (a) reinvest any monies of the Trust, except in accordance with Section 4.02; (b) renegotiate the terms of the Loan, enter into new mortgage financing, renegotiate the Master Lease or enter into new leases except in the case of Master Tenant's bankruptcy or insolvency; (c) make other than minor non-structural modifications to the Real Estate, other than as required by law; (d) accept any capital from the Investors or new investors except as provided for in the Private Placement Memorandum; or (e) take any other action that, in the reasoned opinion of tax counsel to the Trust, should be expected to cause the Trust to be treated as a "business entity" for federal income tax purposes.

7.04 Books and Records. The Administrative Trustee shall keep customary and appropriate books and records relating to the Trust and the Trust Property and shall certify reports regarding same to the Lender, if required by the Loan Documents. The Administrative Trustee shall provide reports of income and expenses to the Investors as necessary for the Investors to prepare their income tax returns regarding the Trust Property.

7.05 Furnishing of Documents. The Administrative Trustee will promptly furnish to the Lender those documents as required by the Loan Documents.

7.06 Duty to Act.

(a) The Administrative Trustee shall not be required to act or refrain from acting under this Trust Agreement or the Loan Documents (other than the actions prohibited in Section 7.03) if the Administrative Trustee reasonably determines, or has been advised by legal counsel, that such actions may result in personal liability, unless the Administrative Trustee is indemnified by the Investors against any liability and costs (including reasonable legal fees and expenses) which may result, in a manner and form reasonably satisfactory to the Administrative Trustee. However, the Investors shall not be required to indemnify the Administrative Trustee with respect to any of the matters described in Section 6.02(a)(i) through 6.02(a)(v).

(b) Neither the Delaware Trustee nor the Independent Trustee shall have any duty: (i) except as provided in the second sentence of Section 7.01(c) to file, record or deposit any document or to maintain any such filing, recording or deposit or to refile, rerecord or redeposit any such document; (ii) to obtain or maintain any insurance on the Property; (iii) to maintain the Property; (iv) to pay or discharge any tax levied against any part of the Property; (v) to confirm, verify, investigate or inquire into the failure to receive any reports or financial statements from any party obligated under the Loan Documents to provide such reports or financial statements; or (vi) to inspect the Property at any time or to ascertain or inquire as to the performance or observance of any of the covenants of any other Person under the Loan Documents.

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ARTICLE VIII
INDEMNIFICATION AND PAYMENT OF ADMINISTRATIVE TRUSTEE

To the fullest extent permitted by law, the Trust agrees, and the Investors hereby acknowledge and agree that the Trust agrees: (a) to reimburse the Administrative Trustee for all reasonable expenses (including reasonable fees and expenses of counsel and other professionals) incurred or advanced in connection with the performance of their duties under this Trust Agreement or any other agreement that the Administrative Trustee enters into for the benefit of the Trust; (b) to the fullest extent permitted by law, to indemnify the Administrative Trustee, their owners, officers, directors, members, employees, agents and other Affiliates (collectively the "**Trust Management Indemnified Parties**" and each a "**Trust Management Indemnified Party**") and hold the Trust Management Indemnified Parties harmless, in their individual capacities, from and against, any and all liabilities, obligations, losses, damages, taxes, claims, actions, suits, costs, expenses and disbursements including reasonable legal fees and expenses which may be imposed on, incurred by or asserted at any time against them, in their individual capacities (and not indemnified against by other Persons) which relate to or arise out of the operation of the Trust (including the Trust Agreement and all transactions and documents contemplated thereby), the Trust Property, or the Loan Documents (all such items collectively the "**Indemnified Costs**"); provided, however, that the Trust shall not be required to indemnify any Trust Management Indemnified Party with respect to any of the matters described in Sections 6.02(a)(i) through 6.02(a)(v) to the extent any such section is adjudged (as provided in subsection (c) below) to apply to such Trust Management Indemnified Party; and (c) to the fullest extent permitted by law, to advance to each such Trust Management Indemnified Party the Indemnified Costs incurred by such Trust Management Indemnified Party in defending any claim, demand, action, suit or proceeding arising out of the operation of the Trust (including the Trust Agreement and all transactions and documents contemplated thereby), the Trust Property or the Loan Documents, prior to the final disposition of such claim, demand, action, suit or proceeding, upon receipt by the Trust of an undertaking by or on behalf of such Trust Management Indemnified Party, 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 Management Indemnified Party is not entitled to indemnification pursuant to this Article VIII (*i.e.*, because such court of competent jurisdiction specifically finds that any of Sections 6.02(a)(i) through 6.02(a)(v) apply to such Trust Management Indemnified Party). The obligations of the Trust pursuant to this Article VIII shall survive the resignation or removal of the Administrative Trustee, the disposition of the Trust Property, the termination of the Trust (whether in accordance with Article IX or otherwise), or the amendment, supplement or restatement of this Trust Agreement. So long as any obligation evidenced or secured by the Loan Documents is outstanding, no indemnity payment from funds of the Trust (as distinct from funds from other sources, such as insurance) of any indemnity pursuant to this Article VIII shall be payable from amounts owed by the Trust to the Lender pursuant to the Loan Documents. Any indemnification set forth in this Trust Agreement shall be fully subordinate to the Loan and shall only constitute a claim against the Trust if its cash flow is insufficient to pay its obligations to the extent of and shall be paid by the Trust in monthly installments only from the excess of net operating income of the Trust for any month over all amounts due under the Loan Documents, nor shall it constitute a claim against any beneficial owner of an interest in the Trust.

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ARTICLE IX
TERMINATION OF TRUST AGREEMENT

9.01 Termination in General. The Trust shall dissolve and wind up in accordance with Section 3808 of the Act and each Investor's share of the Trust Property shall, subject to Article IV hereof, be distributed to the Investors, at the earlier of: (a) December 31, 2070; or (b) the sale or other disposition of the Real Estate; provided, however, that no such dissolution or winding up will occur so long as any obligation evidenced or secured by any of the Loan Documents remains outstanding and not discharged in full. Notwithstanding any other provision of this Trust Agreement, (a) the bankruptcy of a trustee or a beneficiary shall not cause the trustee or the beneficiary, respectively, to cease to be a trustee or beneficiary of the Trust and upon the occurrence of such an event, the Trust shall continue without dissolution and (b) the Trust cannot be terminated by the Investors or any other beneficial owners.

9.02 Termination in Certain Circumstances. Notwithstanding Section 9.01, if: (i) the Trust Property is in jeopardy of being foreclosed upon due to a default on the Loan; (ii) the Trust Property or any portion thereof is subject to a casualty, condemnation or similar event that is not adequately compensated for through insurance or otherwise sufficient to permit restoration of the Trust Property to the same condition as previously existed; or (iii) the Administrative Trustee determines that the Investors are at risk of losing all or a substantial portion of their investment in the Interests, and the Administrative Trustee is prohibited from taking actions to cure or mitigate the event(s) described in clauses (i), (ii) or (iii) by reason of the restrictions set forth in Section 7.03 hereof, or (iv) the Administrative Trustee is required to do so pursuant to the Loan Documents, the Administrative Trustee shall, in compliance with such conditions precedent and other requirements as may be set forth in the Loan Documents (if still in force), terminate the Trust and distribute the Trust Property to the Investors in the manner provided in Section 9.03.

9.03 Distribution of Trust Property to Investors.

(a) If the circumstances described in Section 9.02 apply to the Trust, and if no obligation evidenced or secured by the Loan Documents remains outstanding and all such obligations have been satisfied in full at the time the Trust is to be terminated pursuant to Section 9.02, or if the Loan Documents do not prohibit a direct distribution of the Trust Property to the Investor(s), then the Administrative Trustee may in its sole discretion terminate the Trust in accordance with Section 9.02 by either (i) following the procedure described in Section 9.03(b), *i.e.*, converting the Trust to an LLC or (ii) terminate the Trust by distributing tenant-in-common interests in the Trust Property to the Investors in proportion to their ownership of the Trust, which interests (and the Investors) would be subject to an agency and/or co-ownership arrangement and other agreements that are in form and substance satisfactory to the Administrative Trustee as determined in its discretion and materially consistent with the terms and conditions set forth in Rev. Proc. 2002-22 or such other Internal Revenue Service guidance as may apply to the treatment of tenancy-in-common arrangements as direct interests in the Real Estate for purposes of Code Section 1031.

(b) If the circumstances described in Section 9.02 apply to the Trust, and if any obligation evidenced or secured by the Loan Documents remains outstanding and has not been satisfied in full at the time the Trust is to be terminated pursuant to Section 9.02, and if the Loan

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Documents prohibit a direct distribution of the Trust Property to the Investors as provided in Section 9.03(a), then the Administrative Trustee shall (subject to the requirements set forth in the Loan Documents): (i) terminate the Trust by converting it pursuant to Section 3821 of the Act into a Delaware limited liability company (an "**LLC**"), the operating agreement for which will be substantially similar in form to the LLC operating agreement set forth as Exhibit A attached hereto and made a part hereof (the "**LLC Agreement**") (or in lieu of such conversion, as determined in the sole discretion of the Administrative Trustee, by transferring or contributing the Trust Property to, or by merging the Trust into, such LLC), which LLC shall acquire, by operation of law, contract, or otherwise, the Trust Property subject to the then-outstanding obligations of the Trust under the Loan Documents and the Master Lease, and which LLC shall assume, by operation of law, contract, or otherwise, the Trust's obligations under the Loan Documents and the Master Lease, which assumption shall be evidenced by documents approved in writing by the Lender; (ii) effect the conversion or exchange of the Investors' ownership interests in the Trust into equivalent membership interests in the LLC; (iii) cause the Administrative Trustee to be designated as the Manager (as such term is defined in the LLC Agreement) of the LLC and to execute all necessary documents, including the LLC Agreement on behalf of the members of the LLC; and (iv) take all other actions necessary to complete the termination and winding up of the Trust and the formation of the LLC in accordance with the Act and the Delaware Limited Liability Company Act.

(c) For federal income tax purposes: a conversion of the Trust to an LLC effectuated pursuant to Section 9.03(b) shall be characterized as: (1) a distribution of Trust Property by the Trust to the Investors in complete termination of the Trust, followed by (2) a contribution by the Investors of the Trust Property to the LLC in exchange for membership interests in the LLC.

9.04 Certificate of Cancellation. Upon the completion of winding up of the Trust, the Administrative Trustee shall cause a Certificate of Cancellation to be filed with the Delaware Secretary of State and thereupon the Trust and this Trust Agreement shall terminate.

ARTICLE X
SUCCESSOR ADMINISTRATIVE TRUSTEE

10.01 Resignation; Removal. The Administrative Trustee or any successor administrative trustee may resign at any time by giving at least 60 days' prior written notice to the Investors. Investors holding a Majority of the Interests may remove the Administrative Trustee at any time for "Cause" by giving written notice to the Administrative Trustee. As used in the preceding sentence, "**Cause**" shall mean the willful misconduct, fraud or gross negligence of the Administrative Trustee, as determined by a final, nonappealable judgment of a court of competent jurisdiction. Notwithstanding the foregoing, (a) until the date on which all obligations of the Trust under the Loan Documents are indefeasibly and fully satisfied, the prior written consent of the Lender shall be required for the removal of the Administrative Trustee and the appointment of a replacement for the Administrative Trustee, and (b) the removal of the Administrative Trustee shall not be effective without the prior written consent of the Administrative Trustee until the Administrative Trustee and each of its Affiliates have been fully removed from any guarantee and indemnity obligations they may have with respect to any Loan. The terms of this Section 10.1 are subject to the terms and conditions of the Loan Documents.

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10.02 Appointment of Successor Administrative Trustee. Notwithstanding anything herein to the contrary, no resignation or removal of the Administrative Trustee shall be effective until a successor Administrative Trustee has been appointed and such successor has accepted its responsibilities, all as hereinafter provided. In case of the resignation, liquidation or removal of the Trustee, the Administrative Trustee shall appoint a successor trustee. In case of the resignation, liquidation or removal of the Administrative Trustee, Investors holding a Majority of the Interests may appoint, by written instrument, a successor (a "**Majority Appointment**"). The Trust shall not be terminated solely due to the death, liquidation, resignation or removal of any Administrative Trustee. If a successor Administrative Trustee shall not have been appointed within 60 days after notice has been given pursuant to Section 10.01, the Administrative Trustee or a Majority of the Investors may apply to any court of competent jurisdiction in the United States to appoint a successor administrative trustee to act until such time, if any, as a Majority Appointment shall have occurred. Any successor appointed by a court shall immediately and without further act be superseded by any successor appointed by Majority Appointment within one year from the date of the appointment by such court. Any successor, however appointed, shall execute and deliver to its predecessor trustee (the Administrative Trustee, Delaware Trustee, Independent Trustee) or a successor trustee, as the case may be) an instrument accepting such appointment, and thereupon such successor, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor trustee with like effect as if originally named the Administrative Trustee herein; provided, however, that upon the written request of such successor, such predecessor shall execute and deliver an instrument transferring to a successor all the estates, properties, rights, powers, duties and trusts of such predecessor, and such predecessor shall duly assign, transfer, deliver and pay over to such successor all monies or other property then held by such predecessor upon the trusts herein expressed. Any right of the Investors against the predecessor Administrative Trustee, in its, his or her individual capacity, shall not be prejudiced by the appointment of any successor trustee and shall survive the termination of the trusts created hereby. The terms of this Section 10.2 are subject to the terms and conditions of the Loan Documents.

10.03 Successor Delaware Trustee. Any successor Delaware Trustee, however appointed, shall be a bank or trust company with its principal place of business in the State of Delaware and having either: (a) a combined capital and surplus of at least $50,000,000; or (b) the performance of its obligations hereunder guaranteed by such a bank or trust company having a combined capital and surplus of at least $50,000,000, if there is such an institution willing, able and legally qualified to perform the duties of Delaware Trustee hereunder upon reasonable or customary terms. Any corporation into which the Delaware 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 such Delaware Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Delaware Trustee may be transferred, shall, subject to the preceding sentence, be the Delaware Trustee under this Trust Agreement without further act. Any successor Delaware Trustee, however appointed, shall be competent and qualified to: (i) serve as a Delaware Trustee of a statutory trust formed pursuant to Chapter 38 of Title 12 of the Delaware Code; (ii) own, buy, sell, lease and mortgage land in the state where the Trust Property is located; and (iii) take all actions required by the Delaware Trustee pursuant to the Trust and the Loan Documents in the State of Delaware. The terms of this Section 10.3 are subject to the terms and conditions of the Loan Documents.

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10.04 Successor Independent Trustee. Any successor Independent Trustee, however appointed, shall be a Person who satisfies the criteria for an independent trustee set forth in Section 7.01(b).

ARTICLE XI
MISCELLANEOUS

11.01 Limitations on Rights of Others. Nothing in this Trust Agreement, whether express or implied, shall give to any Person other than the Administrative Trustee and the Investors any legal or equitable right, remedy or claim hereunder; provided, however, that the Lender shall be an intended third-party beneficiary of the special purpose entity provisions contained in the Loan Documents.

11.02 Notices, Etc. All notices, requests, demands, consents and other communications ("**Notices**") required or contemplated by the provisions hereof shall refer on their face to this Trust Agreement (although failure to do so shall not make such Notice ineffective), shall, unless otherwise stated herein, be in writing and shall be: (i) personally delivered; (ii) sent by reputable overnight courier service; (iii) sent by certified or registered mail, postage prepaid and return receipt requested; (iv) transmitted by telephone facsimile with electronic confirmation of receipt; or (v) by email (if an email address is provided by such prospective recipient of Notice); in each case, as follows:

if to the Administrative Trustee:	Lansing MI Multifamily Manager, LLC 520 West Erie Street, Suite 100 Chicago, IL, 60654 ATTN: Shay Baldwin Email: sbaldwin@trilogyreg.com
if to the Delaware Trustee:	The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801
if to the Independent Trustee:	Steven P. Zimmer CT Corporation System 1209 Orange Street Wilmington, Delaware 19801
if to the Depositor:	Lansing MI Multifamily Depositor, LLC 520 West Erie Street, Suite 100 Chicago, IL, 60654 ATTN: Shay Baldwin Email: sbaldwin@trilogyreg.com
if to the Investors:	at the address and/or fax set forth on Schedule 1 attached hereto and made part hereof.

or at such other address and telephone facsimile number as shall be designated, respectively, by the Administrative Trustee, the Delaware Trust, the Independent Trustee, the Depositor or the

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Investors in a written notice to the other Persons receiving Notices pursuant to this Section. Notices given pursuant to this Section shall be deemed received upon the earliest of the following to occur: (i) upon personal delivery; (ii) on the third day following the day sent, if sent by registered or certified mail; (iii) on the next business day following the day sent, if sent by reputable overnight courier; and (iv) if transmitted by telephone facsimile or email, on the day sent if such day is a business day of the addressee and the telephone facsimile or email is transmitted by the sender by 5:00 p.m. local time of the addressee on such day and otherwise on the first business day of the addressee after the day that the telephone facsimile or email is sent.

11.03 Severability. Any provision of this Trust Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, 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.

11.04 Separate Counterparts. This Trust Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

11.05 Successors and Assigns. All covenants and agreements contained herein shall be binding upon and inure to the benefit of the Trustees, their successors and assigns, and the Investors and their respective successors and assigns, all as herein provided. Any request, notice, direction, consent, waiver or other writing or action by the Investors shall bind their respective successors and assigns.

11.06 Usage of Terms. With respect to all terms in this Trust Agreement, the singular includes the plural and the plural includes the singular; 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; 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; references to Persons include their successors and permitted assigns; and the term "including" means including without limitation.

11.07 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.

11.08 Governing Law. This Trust Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts to be performed entirely within such state, including all matters of construction, validity and performance. Each party to this Trust Agreement acknowledges and agrees that, except solely for the Act, the laws of the State of Delaware or of any other state or authority having jurisdiction over the Trust which pertain to trusts shall not apply to this Trust Agreement, and that the Act is the sole law pertaining to trusts that applies to this Trust Agreement. Each party to this Trust Agreement agrees to only bring suit in a court located in Cook County, Illinois, and consents to personal jurisdiction therein.

11.09 Amendments. Subject to Section 2.05, this Trust Agreement may be supplemented or amended by determination of the Administrative Trustee to correct scrivener's errors, to clarify

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any ambiguities in the Trust Agreement or to reflect any changes to or otherwise comply with securities and tax law, provided, however, that no amendment or supplement shall be made if, in the reasoned opinion of tax counsel to the Trust, the making or exercise of such amendment or supplement would constitute a power under the Trust Agreement to "vary the investment" of the Investors within the meaning of Treasury Regulation Section 301.7701-4(c)(1). In addition, so long as permitted under the Loan Documents, this Trust Agreement may be amended at any time a single Person owns (directly or indirectly) 100% of the Interests at that person's request.

11.10 Benefits of Agreement. No Third-Party Rights. None of the provisions of this Trust Agreement shall be for the benefit of or enforceable by any creditor of the Trust or by any creditor of any Investor; and nothing in this Trust Agreement shall be deemed to create any right in any Person not a party hereto. Notwithstanding the foregoing, the Lender and its successors and assigns are intended third-party beneficiaries of this Trust Agreement and may enforce this Trust Agreement against the Administrative Trustee or the Investors.

[SIGNATURE PAGE FOLLOWS]

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WHEREFORE, the parties hereto have caused this Trust Agreement to be duly executed by their respective authorized signatories as of the day and year first above written.

DEPOSITOR:

By: **LANSING MI MULTIFAMILY DEPOSITOR, LLC,**
a Delaware limited liability company

TREG BRIDGE PARTNERS I, LLC,
a Delaware limited liability company
its sole member

By: _____
Name: Sonil S. Gehani
Title: Manager

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ADMINISTRATIVE TRUSTEE:

LANSING MI MULTIFAMILY MANAGER, LLC,
a Delaware limited liability company

By: Trilogy Real Estate Group, LLC,
a Delaware limited liability company
its sole member

By: TREG Manager, LLC,
a Delaware limited liability company,
its Managing Member

By: _____
Name: Sonil S. Gehani
Title: Manager

DELAWARE TRUSTEE:

The Corporation Trust Company, a Delaware corporation

By: _____
Name:
Title:

INDEPENDENT TRUSTEE:

By: _____
Name:

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ADMINISTRATIVE TRUSTEE:

LANSING MI MULTIFAMILY MANAGER, LLC,
a Delaware limited liability company

By: Trilogy Real Estate Group, LLC,
a Delaware limited liability company
its sole member

By: TREG Manager, LLC,
a Delaware limited liability company,
its Managing Member

By: _____
Name: Sonil S. Gehani
Title: Manager

DELAWARE TRUSTEE:

The Corporation Trust Company, a Delaware corporation

By: _____
Name: Jennifer A. Schwartz
Title: Assistant Vice President

INDEPENDENT TRUSTEE:

By: _____
Name: Steven P. Zimmer

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SCHEDULE 1

SIGNATURE OF INVESTORS

(SEE ATTACHED)

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EXHIBIT A

FORM OF OPERATING AGREEMENT FOR LLC CREATED PURSUANT TO SECTION 9.03

OPERATING AGREEMENT
OF
LANSING MI MULTIFAMILY MULTIFAMILY, LLC

THIS OPERATING AGREEMENT (this "**Agreement**") of Lansing MI Multifamily Multifamily, LLC, a Delaware limited liability company (the "**Company**"), is made and entered into as of [EFFECTIVE DATE] (the "**Effective Date**"), by and among Lansing MI Multifamily DST, a Delaware statutory trust (the "**DST**" or the "**Trust**"), Lansing MI Multifamily Manager, LLC, a Delaware limited liability company, and the persons whose names are set forth on Schedule 1 of this Agreement (the "**Members**").

RECITALS:

WHEREAS, pursuant to the Amended and Restated Trust Agreement of the DST dated December 2, 2021 (the "**Trust Agreement**"), Lansing MI Multifamily Manager, LLC, a Delaware limited liability company, is the administrative trustee of the DST (the "**Administrative Trustee**") and the Members collectively own all of the beneficial interests in the DST (the Members in such capacity the "**Owners**");

WHEREAS, the DST owns all right, title and interest of the Trust in and to all property contributed to the Trust or otherwise owned by the Trust, including the Real Estate (the "**Trust Property**");

WHEREAS, the Administrative Trustee has determined that, to conserve and protect the Trust Property, the DST must be converted into a limited liability company as provided in Sections 9.02 and 9.03 of the Trust Agreement;

WHEREAS, pursuant to Section 9.03 of the Trust Agreement, the Company shall be the owner of the Trust Property (such property in the hands of the Company the "**Company Property**") which shall remain subject to the Master Lease and the Loan Documents, the Administrative Trustee shall become the manager of the Company, the Owners shall become Members of the Company, and the Trust shall be converted into a limited liability company; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the parties agree as follows:

ARTICLE I
FORMATION OF COMPANY

1.1 Authority. The Company has been converted in accordance with the requirements of the Delaware Limited Liability Company Act (the "**Act**") and Lansing MI Multifamily Manager, LLC, a Delaware limited liability company, has been designated the manager of the Company (the "**Manager**"). The Manager shall have the authority to perform such other filings,

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recordings and actions and will comply with all formation requirements under the Act and the laws of such other states in which the Company elects to do business.

1.2 Membership; Rights and Obligations. Upon the consummation of the transactions described in the Recitals, the Members will be members of the Company. The rights and obligations of the Company and the Members will, except as otherwise provided herein, be governed by the Act.

1.3 Name. The name of the Company is "Lansing MI Multifamily Multifamily, LLC" and its affairs will be conducted under the Company name or such other name(s) as the Manager may select. The Manager will execute and file with the proper offices any and all certificates required by the fictitious name or assumed name statutes of the states in which the Company elects to do business. The Company will have the exclusive ownership of and right to use the Company name.

1.4 Purposes of the Company. The purposes of the Company are: (i) to manage and dispose of, finance and refinance the Company Property; (ii) to assume and to satisfy the obligations of the DST set forth in the Loan Documents and the Master Lease; and (iii) to engage in such other activities, enterprises, ventures and undertakings permitted under this Agreement and/or the Act that are necessary or appropriate to the foregoing purposes.

1.5 Characterization. It is the intention of the Manager and the Members that the Company constitute a partnership for federal, state and local income tax purposes. Each Member will report its Membership Interest in a manner consistent with the foregoing, and neither the Manager nor any Member will take any action inconsistent with the foregoing.

1.6 Principal Office of the Company. The principal office of the Company is 520 West Erie Street, Suite 100, Chicago, IL, 60654, or at such other place as the Manager may designate. The Company may have other offices in such place or places as selected by the Manager.

1.7 Registered Office and Registered Agent. The name and address of the registered agent of the Company in the State of Delaware is the Corporation Trust Company, located at Corporation Trust Center, 1209 N Orange Street, in the City of Wilmington, Delaware, 19801. The Manager may from time to time in accordance with the Act change any of the Company's registered agents and/or registered offices and designate a registered agent and registered office in each state the Company is required to maintain or appoint one.

1.8 Term of Existence of the Company. The term of the Company commenced upon the filing of its Certificate of Formation with the Secretary of State of the State of Delaware and will be perpetual unless sooner terminated as provided in Article VIII.

ARTICLE II
MEMBERSHIP INTERESTS; CAPITAL CONTRIBUTIONS

2.1 Membership Interest. Each Member's percentage ownership interest in the Company shall be equal to such Member's beneficial ownership interest in the DST immediately prior to the transactions described in the Recitals. The amount of each Member's percentage

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ownership interest in the Company ("**Membership Interest**") is set forth opposite such Member's name on Schedule 1 hereto.

2.2 Capital Contributions.

(a) Each Member will be credited with an initial capital contribution ("**Capital Contribution**") in the amount set forth opposite such Member's name on Schedule 1 hereto.

(b) The Manager may request at any time that the Members make additional Capital Contributions to the Company on a pro rata basis in proportion to each Member's Membership Interest. The Members are not required to comply with any such request. The Manager shall adjust the Members' Capital Contributions and Membership Interests set forth on Schedule 1 hereto to equitably reflect any additional capital contributions made by Members.

2.3 Subordination to Loan Documents. While the Loan Documents remain in effect, any and all rights of Members pursuant to the terms of this Agreement are subordinated to the rights of the Lender under the Loan Documents.

2.4 Limited Liability Company Interests.

(a) Each limited liability company interest in the Company shall constitute and shall remain a "security" within the meaning of (i) Section 8-102(a)(15) of the Uniform Commercial Code as in effect from time to time in the States of Delaware and New York and (ii) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. Notwithstanding any provision of this Agreement to the contrary, to the extent that any provision of this Agreement is inconsistent with any non-waivable provision of Article 8 of the Uniform Commercial Code as in effect in the State of Delaware (6 Del C. § 8-101, et. seq.) (the "**UCC**"), such provision of Article 8 of the UCC shall be controlling.

(b) The Company shall not permit the limited liability company interests in the Company to be represented by an instrument issued in bearer or registered form, or to constitute certificated securities as defined in Article 8 of the UCC. The Company shall not take any action or permit any action to be taken that would revoke, cancel or change the election set forth in Section 2.4(a) for the limited liability company interests in the Company to constitute securities under Article 8 of the UCC.

(c) The Company shall maintain books for the purpose of registering the transfer of limited liability company interests.

ARTICLE III
ACCOUNTING, ALLOCATIONS AND DISTRIBUTIONS

3.1 Books of Account.

(a) The Manager shall maintain the books of account of the Company.

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(b) The books of account will be closed promptly after the end of each calendar year, which will be the Company's fiscal year ("**Fiscal Year**"). Promptly after the close of the Fiscal Year, the Company will cause to be prepared such partnership income tax and other returns required under applicable law and regulation, including any and all statements necessary to advise all Members promptly about their investment in the Company for federal income tax reporting purposes. The Manager will be responsible for the prompt filing and delivery of all such returns and statements. All elections and options available to the Company for tax purposes will be taken or rejected by the Company in the sole discretion of the Manager.

3.2 Capital Accounts. A separate capital account ("**Capital Account**") will be maintained for each Member. Each Member's initial Capital Account shall be equal to the amount set forth opposite such Member's name on Schedule 1 hereto. Thereafter, each Member's Capital Account will, *inter alia*, be increased by: (i) the amount of money contributed by such Member to the Company; (ii) the fair market value of property contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Code Section 752); and (iii) allocations to such Member of Company income and gain (or items thereof), including income and gain exempt from tax; and decreased by (iv) the amount of money distributed to such Member (as a Member) by the Company; (v) the fair market value of property distributed to such Member (as a Member) by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Code Section 752); (vi) allocations to such Member of expenditures of the Company described in Code Section 705(a)(2)(B); and (vii) allocations to such Member of Company loss and deduction (or items thereof).

3.3 Profit and Loss Allocations. Except as otherwise required by Code Section 704 and the Treasury Regulations thereunder, net profit or net loss of the Company, determined for income tax purposes, will be allocated to the Members pro rata with their Membership Interests.

3.4 Special Tax Allocations. In accordance with Code Sections 704(b) and 704(c) and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any asset contributed to the capital of the Company will, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value at the time of contribution to the Company.

3.5 Distributions.

(a) Company cash flow for any Fiscal Year will consist of all cash received by the Company (other than as a capital contribution) less cash expenditures for Company debts, expenses, capital expenditures and reasonable reserves as determined by the Manager in its sole discretion.

(b) Company cash flow for any Fiscal Year will be distributed to the Members in proportion to their Membership Interests.

(c) No Member has the right to partition, or otherwise demand an in-kind distribution of, the Company Property. If the Company distributes Company Property to the

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Members, the fair market value of such property at the time of such distribution will be determined by the Manager in its sole discretion, and any such distribution will be made to the Members in proportion to their Membership Interests.

(d) No distribution shall be made to any Members, if such distribution would violate applicable law or constitute a default under the Loan Documents.

ARTICLE IV
RIGHTS, DUTIES, LIABILITIES AND RESTRICTIONS OF THE MANAGER

4.1 The Manager.

(a) Except solely as provided in Section 4.1(b) with respect to Major Decisions (as defined below), the Manager will have the sole and exclusive right to manage, control and conduct the affairs of the Company and to manage the Company Property, including the right to convert the Company into another form of entity (for the avoidance of doubt, the Manager shall have a limited power of attorney to execute all documents to effect such conversion).

(b) Notwithstanding the foregoing, after satisfaction of the Company's obligations with respect to the Loan (provided, however, that for the avoidance of doubt the Company's obligations with respect to the Loan shall not be treated as having been satisfied to the extent the Company is obligated with respect to any substitute financing that has replaced the Loan), the following actions (the "**Major Decisions**") will require the consent of Members holding a Majority of the Membership Interests: (i) entering into any agreement for the sale, transfer, or exchange of all or any substantial portion of the Company Property; (ii) entering into, modifying, extending, renewing or canceling any lease with respect to the Company Property or any portion thereof; (iii) entering into, modifying, extending, renewing or canceling any agreement pertaining to any indebtedness to be secured in whole or in part by any mortgage, pledge, lien or other encumbrance upon the Company Property (other than the assumption by the Company the obligations of the DST under the Loan Documents, consent to which is deemed to have been given); (iv) admitting new Members to the Company in exchange for Capital Contributions by such persons to the Company; (v) dissolving and winding up the Company; or (vi) amending this Agreement; provided, however, subject to Section 4.2, this Agreement may be supplemented or amended by agreement of the Manager to correct scrivener's errors, to clarify any ambiguities in this Agreement or to reflect any changes to or otherwise comply with securities and tax law. The consent of the Members to any Major Decision shall be determined as provided in Section 5.1.

4.2 Limitation on Authority; Separateness.

(a) This Section 4.2 is being adopted in order to comply with certain provisions of the Loan Documents necessary to qualify the trust as a "special purpose entity."

(b) Notwithstanding any provisions of this Agreement and any provision of law that otherwise so empowers the Company, the Manager or the Members, so long as any obligation evidenced or secured by any of the Loan Documents remains outstanding and not discharged in full and the lien of the mortgage has not been released, neither the Manager,

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Members nor any other Person on behalf of the Company shall have any authority to do any of the following without Lender's prior written consent:

(i) engage in any business or activity other than those set forth in Section 1.4;

(ii) except as provided in Article VIII of this Agreement, seek, consent to or permit (A) any dissolution, winding up, liquidation, consolidation or merger, or (B) any sale or other transfer of all or substantially all of its assets or any sale of assets outside the ordinary course of its business, except as permitted by the Loan Documents;

(iii) sell all or substantially all of its assets, except simultaneously with a permitted repayment of the Loan;

(iv) merge, combine or consolidate with any other entity;

(v) file or consent to the filing of any bankruptcy, insolvency or reorganization case or proceeding, institute any proceedings under any applicable insolvency law or otherwise seek relief under any laws relating to the relief from debts or the protection of debtors generally, file a bankruptcy or insolvency petition or otherwise institute insolvency proceedings;

(vi) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the entity or a substantial portion of the Company's property;

(vii) make an assignment for the benefit of the creditors of the Company; or

(viii) take any action in furtherance of any of the foregoing.

(c) Notwithstanding any other provision of this Agreement, so long as any obligation evidenced or secured by any of the Loan Documents remains outstanding and not discharged in full and the lien of the mortgage has not been released, the Manager shall cause the Company to and the Company shall comply with the covenants set forth in the Loan Documents, and neither the Manager nor any other Person shall have any authority to file a certificate of division, adoption of a plan of division, amendment of any organizational documents, or permit, consent to, or take any other in order to divide a Person into two or more Persons pursuant to a plan of division such as contemplated under the Act or any other similar requirement of law in any jurisdiction without the Lender's prior written consent.

(d) Failure of the Company, or the Members or the Manager on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Member or the Manager.

4.3 Duties and Responsibilities of the Manager. The Manager will diligently, faithfully and competently perform its duties and responsibilities, and will devote such time to the

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Company's business as, in the judgment of the Manager, is reasonably required.

4.4 Officers of the Company. The Manager may appoint one or more persons to serve as officers of the Company, in such capacities and with such delegated rights and powers as the Manager may approve; provided, however, that no such officer will have any different or greater rights and powers than the Manager. The Manager may provide that compensation be paid to persons who provide services to the Company as officers.

4.5 Expenditures by Manager. The Company will reimburse the Manager and its Affiliates for any costs and expenses reasonably incurred by them on behalf of the Company.

4.6 Potential Conflicts. The Company may purchase goods or services from the Manager or its Affiliates, provided that any such transaction will be conducted on commercially reasonable terms. The Manager may engage in business ventures of any nature and description independently or with others, including, but not limited to, the business or businesses engaged in by the Company, and neither the Company nor any of the other Members will have any rights in or to such independent ventures or the profits derived therefrom.

4.7 Liability of Manager. The Manager will not be liable to any Member or the Company for honest mistakes of judgment, or for action or inaction, taken reasonably and in good faith for a purpose that was reasonably believed to be in the best interests of the Company, or for losses due to such mistakes, action or inaction, or for the negligence, dishonesty or bad faith of any employee, broker or other agent of the Company. The Manager may consult with counsel and accountants in respect of Company affairs and be fully protected and justified in any action or inaction that is taken in accordance with the advice or opinion of such counsel or accountants, provided that they will have been selected with reasonable care. The Members will look solely to the Company Property for the return of their capital and, if the assets of the Company remaining after payment or discharge of the debts and liabilities of the Company are insufficient to return such capital, they will have no recourse against the Manager for such purpose. Notwithstanding any of the foregoing to the contrary, the provisions of this Section will not relieve the Manager of any liability by reason of the gross negligence, willful misconduct or intentional wrongdoing or to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but will be construed so as to effectuate the provisions of this Section to the fullest extent permitted by law.

4.8 Indemnification. The Company agrees: (a) to reimburse the Manager for all reasonable expenses (including reasonable fees and expenses of counsel and other professionals) incurred in connection with the performance of its duties under this Agreement: (b) to the fullest extent permitted by law, to indemnify the Manager, its owners, officers, directors, members, employees, agents and other Affiliates (collectively the "**Manager Indemnified Parties**" and each a "**Manager Indemnified Party**") and hold the Manager Indemnified Parties harmless, in their individual capacities, from and against, any and all liabilities, obligations, losses, damages, taxes, claims, actions, suits, costs, expenses and disbursements including reasonable legal fees and expenses which may be imposed on, incurred by or asserted at any time against them, in their individual capacities (and not indemnified against by other Persons) which relate to or arise out of the operation of the Company (including this Agreement and all transactions and documents contemplated thereby), the Company Property, or the Loan Documents (all such items collectively

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the "**Indemnified Costs**"), provided, however, that the Company shall not be required to indemnify any Company Indemnified Party with respect to any willful misconduct or gross negligence with respect to the Company on the part of such Manager Indemnified Party to the extent such Manager Indemnified Party is adjudged (as provided in subsection (c) below) to have engaged in such willful misconduct or gross negligence with respect to the Company; and (c) to the fullest extent permitted by law, to advance to each such Manager Indemnified Party the Indemnified Costs incurred by such Manager Indemnified Party in defending any claim, demand, action, suit or proceeding arising out of the operation of the Company (including this Agreement and all transactions and documents contemplated thereby), the Company Property or the Loan Documents, prior to the final disposition of such claim, demand, action, suit or proceeding, upon receipt by the Company of an undertaking by or on behalf of such Manager Indemnified Party, to repay such amount if a court of competent jurisdiction renders a final, nonappealable judgment that includes a specific finding of fact that such Manager Indemnified Party is not entitled to indemnification pursuant to this Section 4.8 (*i.e.*, because such court of competent jurisdiction specifically finds that such Manager Indemnified Party engaged in willful misconduct or gross negligence with respect to the Company). The obligations of the Company pursuant to this Article IV shall survive the resignation or removal of any Manager, the disposition of the Company Property, the termination of the Company, or the amendment, supplement or restatement of this Agreement. So long as any obligation evidenced or secured by the Loan Documents is outstanding, no indemnity payment from funds of the Company (as distinct from funds from other sources, such as insurance) of any indemnity pursuant to this Section 4.8 shall be payable from amounts allocable to the Lender pursuant to the Loan Documents. Any indemnification set forth in this Agreement shall be fully subordinate to the Loan and shall only constitute a claim against the Company to the extent of, and shall be paid by the Company in monthly installments only from, the excess of net operating income of the Company for any month over the amounts then due under the Loan Documents, nor shall it constitute a claim against any owner of an interest in the Company.

4.9 Successor to Manager. If the Manager resigns, a successor manager will be selected by Members holding a Majority of the Membership Interests.

4.10 Partnership Representative.

(a) The "partnership representative" as provided for in Code Section 6223 shall be the Manager, or such other individual as may be designated by the Manager (the "**Partnership Representative**"). Each Member hereby consents to such designation and agrees to take any such further action as may be required by the Treasury Regulations or otherwise to effectuate such designation. The Partnership Representative shall be indemnified and reimbursed for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with its serving in that capacity. The Partnership Representative may delegate its responsibilities as Partnership Representative.

(b) For each fiscal year of the Company: (i) the Members consent to either of the elections set forth in Code Sections 6221 and/or 6226(a) and agree to take any action, and furnish the Partnership Representative with any information necessary, to give effect to such election if the Partnership Representative decides to make such election; and (ii) any imputed underpayment imposed on the Company pursuant to Code Section 6232 (and any related interest,

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penalties or other additions to tax) that the Partnership Representative reasonably determines is attributable to one or more Members (including any former Member) shall be, in the Partnership Representative's sole discretion, either (A) treated as a distribution under Section 3.5 or (B) promptly paid by such Members to the Company (pro rata in proportion to their respective shares of such underpayment) within fifteen (15) days following the Partnership Representative's request for payment (and any failure to pay such amount shall result in a subsequent reduction in distributions otherwise payable to such Member in such amount plus interest on such amount calculated at the rate of ten percent (10%)); provided that in making the determination of which Members (including former Members) any such imputed underpayment is attributable to, the Partnership Representative will allocate any imputed underpayment imposed on the Company (and any related interest, penalties, additions to tax, and audit costs) among the Members in good faith taking into account each Member's particular status, including, for the avoidance of doubt, a Member's tax-exempt status. The Manager, and the individual designated by the Manager, in his or her capacity as the Partnership Representative, shall be authorized to take any of the foregoing actions (or any similar actions), to the extent necessary to allow the Company to comply with the partnership audit provisions of the Bipartisan Budget Act of 2015. Regarding the potential obligation of a former Member under this Section 4.10, the following shall apply: (x) each Member agrees that, notwithstanding any other provision in this Agreement, if it is no longer a Member it shall nevertheless be obligated for any responsibilities under this Section 4.10 as if it were a Member at the time of demand hereunder; and (y) the Manager will not consent to the transfer of the Membership Interest of any Member unless the transferee receiving such Membership Interest agrees that in the event the transferor of such Membership Interest does not fulfill its obligation under the preceding clause (x) within twenty (20) business days following written demand by the Partnership Representative, such transferee shall be jointly and severally liable with such transferor for such obligation and the Partnership Representative may thereafter treat the transferee as the relevant Member for purposes of this paragraph.

ARTICLE V
MEMBERS

5.1 Powers of the Members. Except as otherwise provided in the Agreement, as to any matters on which the Members have a right to vote, such vote shall require an affirmative vote of a Majority of the Membership Interests.

5.2 Liability. No Member will be personally liable for any of the debts of the Company or any of the losses thereof beyond the amount of such Member's Capital Contribution to the Company.

5.3 Meetings of the Members. A meeting of the Members may be called at any time by the Manager or by Members holding a Majority of the Membership Interests. The meetings will be held at the Company's principal place of business or any other place designated by the Manager. The Manager will give the Members at least ten days prior written notice stating the time, place and purpose of the meeting. At a meeting of the Members, the presence of Members holding a Majority of the Membership Interests, in person or by proxy, will constitute a quorum. A Member may vote either in person or by written proxy signed by the Member or by his, her or its duly authorized attorney in fact. Persons present by telephone will be deemed to be present "in person" for purposes hereof.

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5.4 Removal of Manager. Notwithstanding any other provision of this Agreement, a Manager can be removed and its successor chosen by Members holding at least seventy five percent (75%) of the Membership Interests for cause by giving written notice to the Manager. As used in the preceding sentence, "**Cause**" shall mean the willful misconduct, fraud or gross negligence of the Manager, as determined by a final, nonappealable judgment of a court of competent jurisdiction. Notwithstanding the foregoing, (a) so long as any obligation evidenced or secured by the Loan Documents remains outstanding and not discharged in full, the consent of the Lender shall also be required for removal of a Manager and appointment of a successor Manager, and (b) the removal of the Manager shall not be effective without the prior written consent of the Manager until the Manager and each of its Affiliates have been fully removed from any guarantee and indemnity obligations they may have with respect to the Loan.

ARTICLE VI
ASSIGNMENT PROVISIONS

6.1 Transfers by Members.

(a) Subject to Section 6.2, a Member may Transfer some or all of its Membership Interests in the Company. For purposes hereof, "Transfer" means, when used as a noun, any sale, hypothecation, pledge, assignment, gift, or other transfer, be it voluntary or involuntary, to any person, inter vivo, testamentary, by operation of laws of devise and descent or other laws, and, when used as a verb, to sell, hypothecate, pledge, assign, gift, or otherwise transfer to any person, be it voluntarily or involuntarily, inter vivo, testamentary, by operation of the laws of devise or descent or any other laws.

(b) Notwithstanding anything contained herein to the contrary, no Transfer of any Membership Interest will be permitted if such Transfer would: (i) be in contravention of or constitute an event of default under the Loan Documents; (ii) result in a termination of the Company for federal income tax purposes that would have a material adverse effect on the Company or any of the Members; (iii) result in the Company not qualifying for an exemption from the registration requirements of any applicable federal or state securities laws; (iv) result in any violation of any applicable federal or state securities laws; (v) require the Company, the Manager or any Affiliate of the Manager to register as an investment advisor under the Investment Advisers Act of 1940, as amended; or (vii) cause the Company Property to become "plan assets" (as defined in the Plan Asset Rules) subject to the fiduciary standards of Part 4 of Subtitle B of Tile I of ERISA and Code Section 4975.

6.2 General Provisions. The following rules will apply to the Transfer of membership interests in the Company:

(a) no person will be admitted as a substitute member hereunder unless and until: (i) the assignment is made in writing, signed by the assignor and accepted in writing by the assignee, and a duplicate original of the assignment is delivered to and accepted by the Manager; (ii) the prospective assignee executes and delivers to the Company a written agreement, in form and substance satisfactory to the Manager, pursuant to which said person agrees to be bound by this Agreement; and (iii) an appropriate amendment hereto is executed and, if required, filed of record;

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(b) the effective date of admission of a substitute member will be no earlier than the date that the documents specified in subsection (a) above are delivered to and accepted by the Manager;

(c) the Company and the Manager will treat the assignor of the assigned interest as the absolute owner thereof and will incur no liability for distributions made in good faith to such assignor prior to such time as the documents specified in subsection (a) above have been delivered to and accepted by the Manager;

(d) unless admitted as a substitute member to the Company by the Manager, the assignee or transferee of an interest in the Company hereunder will not be entitled to become or exercise any rights of a Member, but will, to the extent of the interest acquired, be entitled only to the predecessor Member's share of distributions from the Company. No person, including the legal representatives, heirs or legatees of a deceased Member, will have any rights or obligations greater than those set forth herein and no person will acquire an interest in the Company or become a Member except as permitted hereby. Substitute Members admitted pursuant to Section 6.2 (a) will be entitled to all of the rights and privileges of the original Members hereunder and will be subject to all of the obligations and restrictions hereunder, and in all other respects their admission will be subject to all of the terms and provisions hereof;

(e) the costs incurred by the Company in processing an assignment (including attorney's fees) will be borne by the assignor or assignee as such parties may agree, and will be payable prior to and as a condition of any distribution of cash or property; and

(f) upon the Transfer of a Membership Interest which satisfies Section 6.2, Schedule 1 to this Agreement will be revised to reflect such Transfer.

ARTICLE VII
ADMISSION OF ADDITIONAL MEMBERS; RESIGNATIONS AND WITHDRAWALS

7.1 Admission of Additional Members.

(a) Subject to compliance with applicable securities laws, the Loan Documents and this Agreement, the Manager, in its sole discretion, may admit new Members in exchange for Capital Contributions by such persons to the Company in an amount as determined by the Manager in its sole discretion. The Members hereby grant the Manager the power of attorney to amend the Company's Articles of Organization and this Agreement to effect any issuance of Membership Interests pursuant this subsection, including such Membership Interests that may constitute one or more classes of interests with preference as to distributions from the Company (provided, however, that the Members will be provided an opportunity to make such Capital Contributions in respect of such new class(es) of interests). Upon the admission of any new Members to the Company, the Manager shall adjust the Members' Membership Interests set forth on Schedule 1 hereto to equitably reflect the Capital Contributions made by new Members.

(b) Additional Members admitted pursuant to Section 7.1(a) will be entitled to all of the rights and privileges of the original Members hereunder and will be subject to all of the obligations and restrictions hereunder, and in all other respects their admission will be subject to all of the terms and provisions hereof.

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(c) No Member shall have any preemptive or similar rights to increase or maintain such Member's Membership Interest in the Company.

7.2 Resignations and Withdrawals. A Member who withdraws from the Company will forfeit all Membership Interests and rights as a Member, including his right to receive any distributions from the Company and the right to vote. Upon the withdrawal of a Member, the Company will not have any obligation to purchase such Member's Membership Interests or any part thereof. The Manager shall adjust the Members' Membership Interests set forth on Schedule 1 hereto to equitably reflect the withdrawal of a Member.

ARTICLE VIII
TERMINATION AND WINDING UP

8.1 Termination.

(a) The Company will terminate upon the earliest to occur of the following:

(i) The Manager and Members holding a Majority of the Membership Interests vote to terminate the Company or convert it into a different legal entity pursuant to Delaware law; or

(ii) The Company's sale, exchange or other disposition of all of the Company Property.

(b) Notwithstanding the foregoing, or any other provision of this Agreement to the contrary, for so long as the Company's obligations under the Loan Documents remain outstanding, the Company may not be terminated without the prior written consent of the Lender.

(c) This Agreement generally and Article VIII in particular will govern the conduct of the parties during the winding up of the Company.

8.2 Liquidation Procedures. Upon termination of the Company, the Company's affairs will be wound up and the Company will be dissolved. A proper accounting will be made of the profit or loss of the Company from the date of the last previous accounting to the date of termination.

8.3 Liquidating Trustee. Upon the winding up of the Company, the Manager will act as the liquidating trustee or will appoint a liquidating trustee. The liquidating trustee will have full power to sell, assign and encumber the Company Property. All certificates or notices thereof required by law will be filed on behalf of the Company by the liquidating trustee.

8.4 Distribution on Winding Up. The proceeds of liquidation will be applied by the end of the taxable year in which the liquidation occurs or, if later, within 90 days after the date of such liquidation, in the following order:

(a) first, to the creditors of the Company, in the priority and to the extent provided by law; and

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(b) thereafter, to the Members in proportion to their Membership Interests.

8.5 No Dissolutions. The Bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Member shall not cause the termination or dissolution of the Company and the business of the Company shall continue. Upon any such occurrence, the trustee, receiver, executor, administrator, committee, guardian or conservator of such Member (an "**assignee**") shall have all the rights of such Member for the purpose of settling or managing its estate or property, subject to satisfying conditions precedent to the admission of such assignee as a substitute Member. The transfer by such trustee, receiver, executor, administrator, committee, guardian or conservator of any Membership Interest shall be subject to all of the restrictions, hereunder to which such transfer would have been subject if such transfer had been made by such bankrupt, deceased, dissolved, liquidated, terminated or incompetent Member.

ARTICLE IX
GENERAL PROVISIONS

9.1 Definitions. The following terms not otherwise defined herein will have the meanings ascribed to them below:

(a) "**Affiliate**" (whether or not such term is capitalized) shall mean, with respect to any specified Person any other Person owning beneficially, directly or indirectly, any ownership interest in such specified Person or directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," when used with respect to any specified Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

(b) "**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(c) "**Control**" (whether or not such term is capitalized) when used with respect to any specified Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing. Without limiting the generality of the foregoing, a Person shall be deemed to Control any other Person in which it owns, directly or indirectly, 49% or more of the ownership interests.

(d) "**Lender**" shall mean CBRE Multifamily Capital, Inc., a Delaware corporation, and its successors and assigns, with respect to the Loan.

(e) "**Loan**" shall mean that certain loan from the Lender in the amount of $43,878,000 made to the Trust by the Lender.

(f) "**Loan Documents**" shall mean any and all documents evidencing or securing the Loan or any assumptions thereof including, without limitation, any promissory note, mortgage, assignment of leases and rents, indemnity agreement, guaranty certificate, escrow agreement, consent or subordination agreement or the functional equivalent of any of the

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aforementioned, and any and all other documents related to the Loan.

(g) "**Majority**" shall mean more than fifty percent (50%).

(h) "**Master Lease**" shall mean that certain Master Lease between the Trust, as landlord and the Master Tenant, as tenant, with respect to the Real Estate.

(i) "**Master Tenant**" shall mean Lansing MI Multifamily Master Tenant, LLC, a Delaware limited liability company.

(j) "**Person**" (whether or not such term is capitalized) shall mean a natural person, corporation, limited partnership, general partnership, limited liability company, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, statutory trust or other organization, whether or not a legal entity, and a government or agency or political subdivision thereof.

(k) "**Private** Placement Memorandum" shall mean the memorandum and related documents distributed to prospective investors in the Trust that provided such persons with information relating to an investment in the Trust interests.

(l) "**Real Estate**" shall mean the real estate and improvements located at 4540 Collins Rd, Lansing, MI 48910.

(m) "**Section**" shall mean a section in this Agreement unless the context clearly indicates otherwise.

(n) "**Special Purpose Entity**" shall mean an entity, whose organizational documents contain restrictions on its activities and impose requirements intended to preserve such entity's separateness that are substantially identical to the special purpose provisions set forth in the Loan Documents

(o) "**Treasury Regulations**" shall mean U.S. Treasury Regulations promulgated under the Code.

9.2 Notices. All notices, requests, demands, consents and other communications ("**Notices**") required or contemplated by the provisions hereof shall refer on their face to this Agreement (although failure to do so shall not make such Notice ineffective), shall, unless otherwise stated herein, be in writing and shall be: (i) personally delivered; (ii) sent by reputable overnight courier service; (iii) sent by certified or registered mail, postage prepaid and return receipt requested; (iv) transmitted by telephone facsimile with electronic confirmation of receipt; or (v) by email (if an email address is provided by such prospective recipient of Notice). Any Member may change its address by giving fifteen (15) days advance written notice stating its new address to the Manager. Commencing with the giving of such notice, such newly designated address will be such Member's address for purposes of all notices or other communications required or permitted to be given pursuant to this Agreement.

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9.3 Third Party Reliance. Third parties dealing with the Company shall be entitled to conclusively rely on the signature of the Manager and/or any officer of the Company to bind the Company.

9.4 Successors. This Agreement and all the terms and provisions hereof will be binding upon and will inure to the benefit of all Members, and their legal representatives, heirs, successors and permitted assigns, except as expressly herein otherwise provided.

9.5 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts to be performed entirely within such state, including all matters of construction, validity and performance. Each party to this Agreement acknowledges and agrees that, except solely for the Act, the laws of the State of Delaware or of any other state or authority having jurisdiction over the Company which pertain to limited liability companies shall not apply to this Agreement, and that the Act is the sole law pertaining to limited liability companies that applies to this Agreement. Each party to this Agreement agrees to only bring suit in a court located in Chicago, Illinois, and consents to personal jurisdiction therein.

9.6 Counterparts. This Agreement may be executed in counterparts, each of which will be an original, but all of which will constitute one and the same instrument.

9.7 Pronouns and Headings. As used herein, all pronouns will include the masculine, feminine, neuter, singular and plural thereof wherever the context and facts require such construction. The headings, titles and subtitles herein are inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

9.8 Members Not Agents. Nothing contained herein will be construed to constitute any Member the agent of another Member, except as specifically provided herein, or in any manner to limit the Members in the carrying on of their own respective businesses or activities.

9.9 Entire Understanding. This Agreement constitutes the entire understanding among the Members and supersedes any prior understanding and/or written or oral agreements among them with respect to the Company.

9.10 Severability. If any provision of this Agreement, or the application of such provision to any person or circumstance, is held invalid by a court of competent jurisdiction, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid by such court, will not be affected thereby.

9.11 Further Assurances. Each of the Members will hereafter execute and deliver such further instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and as are not inconsistent with the terms hereof. Recognizing that the Company may find it necessary from time to time to establish to third parties, such as accountants, banks, mortgagees or the like, the then current status of performance hereunder, each Member agrees, upon the written request of the Manager to furnish promptly a written statement of the status of any matter pertaining to this Agreement or the Company to the best of the knowledge and belief of the Member making such statements.

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9.12 Benefits of Agreement. No Third-Party Rights. Except for the Lender and its successors or assigns as holders of the Loan (with respect to the Special Purpose Entity Provisions of this Agreement) (a) none of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of any Member, and (b) nothing in this Agreement shall be deemed to create any right in any Person not a party hereto, and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person, except as provided in this Section 9.12. The Lender and its successors or assigns are intended third-party beneficiaries of Section 4.2 this Agreement and may enforce this Agreement against the Manager or the Members.

9.13 Waiver of Partition; Nature of Interest. To the fullest extent permitted by law, and not withstanding any provision in this Agreement to the contrary, each of the Members, and any additional and substitute members admitted to the Company hereby irrevocably waives any right or power that such Person might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company. No Member shall have any interest in any specific assets of the Company, and no Member shall have the status of a creditor with respect to any distribution pursuant to Section 3.5 hereof. The interest of each Member in the Company is personal property.

[SIGNATURE PAGE FOLLOWS]

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COUNTERPART SIGNATURE PAGE
OPERATING AGREEMENT
OF
LANSING MI MULTIFAMILY MULTIFAMILY, LLC

IN WITNESS WHEREOF, the undersigned has executed this Operating Agreement as of the day and year first above written.

MANAGER:

LANSING MI MULTIFAMILY MANAGER, LLC,

a Delaware limited liability company

By: **TRILOGY REAL ESTATE GROUP, LLC,**
a Delaware limited liability company
its sole member

By: _____
Name: _____
Title: _____

MEMBER:

_____
Signature

_____
Print Name

_____
Address

_____
City, State & Zip Code

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SCHEDULE 1
(of Exhibit A)

MEMBERS, CAPITAL CONTRIBUTIONS AND MEMBERSHIP INTERESTS

NAME AND ADDRESS OF MEMBER	CAPITAL CONTRIBUTION	CAPITAL ACCOUNT	MEMBERSHIP INTEREST

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EXHIBIT C

Master Lease

[Attached]

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MASTER LEASE
FOR
LANSING MI APARTMENTS

THIS MASTER LEASE (this "**Lease**") is entered into to be effective as of December 2, 2021, between LANSING MI MULTIFAMILY DST, a Delaware statutory trust (the "**Landlord**"), and LANSING MI MULTIFAMILY MASTER TENANT, LLC, a Delaware limited liability company (the "**Tenant**").

ARTICLE 1
Demise of Premises

Landlord, for and in consideration of the rents to be paid and the covenants and agreements hereinafter contained to be kept and performed by Tenant, hereby demises and leases to Tenant and Tenant hereby lets and takes from Landlord, for the term hereinafter set forth, Landlord's interest in the real estate located at 4540 Collins Rd, Lansing, MI 48910, as more particularly described on Exhibit A attached hereto and made a part hereof, together with the easements, rights and appurtenances thereunto belonging or appertaining, together with (i) the improvements, buildings, equipment and personal property located thereon and associated therewith and owned by Landlord, (ii) the leases and other agreements to occupy such improved real property, and (iii) all other rights and property (real, personal and intangible) associated with such improved real property (the "**Property**").

ARTICLE 2
Term of Lease

Section 2.01. The term of this Lease shall commence on the date hereof, and shall expire, unless sooner terminated as hereinafter provided, on the date that is ten (10) years and ninety-five (95) days after the anniversary of the date hereof (the "**Term**"). Each year during the Term is herein referred to as a "**Lease Year**," with the first Lease Year commencing on the date hereof and ending on December 31, 2022, and each subsequent Lease Year commencing on January 1 and ending on December 31, except for the last Lease Year of the Term, which will end on the last day of the Term. The term of this Lease shall automatically terminate upon the sale of the Property.

Section 2.02. This Lease constitutes the absolute and unconditional obligation of Tenant. Tenant waives all rights which are not expressly stated in this Lease but which may now or otherwise be conferred by law (i) to quit, terminate or surrender this Lease or the Property, (ii) to any setoff, counterclaim, recoupment, abatement, suspension, deferment, diminution, deduction, reduction or defense of or to "**Rent**" (as defined below) or any other sums payable under this Lease, except as otherwise expressly provided in this Lease, and (iii) for any statutory lien or offset right against Landlord or its property. Notwithstanding clause (i) above, if a person not affiliated with Tenant is the administrative manager (or otherwise in control) of Landlord, Tenant shall have the right to terminate this Lease in the event of a default by Landlord hereunder.

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ARTICLE 3
Rent

Section 3.01.

(a) Tenant shall pay to Landlord during the Term, in currency of the United States of America, at the office of Landlord, or at such other address as shall be specified, in writing, from time to time by Landlord, the rentals hereinafter provided. If Landlord so requests, Tenant agrees to make Rent payments by wire transfer of immediately available federal funds.

(b) Tenant covenants to pay Landlord, in lawful money of the United States of America, without notice or demand and without any set-off, deduction or abatement whatsoever except with respect to Additional Rent and Bonus Rent (but not Base Rent) to the extent set forth in Section 7.04 hereof, at the office of Landlord, or at such other address designated by Landlord during the Term of this Lease, the following:

(i) an annual amount, as set forth on Exhibit C, (the "**Base Rent**") on the first day of each month in arrears. Except as otherwise provided on Exhibit C, Landlord hereby directs Tenant to pay each monthly installment of Base Rent to CBRE Multifamily Capital, Inc., a Delaware corporation, and its successors and assigns (the "**Lender**") in accordance with the terms and conditions of the documents (collectively, the "**Loan Documents**") evidencing and/or securing the loan in the original principal amount of $43,878,000 (the "**Loan**") from Lender to Landlord, with any Base Rent in excess of such amounts (if any) being paid to the Landlord hereunder up to the amount set forth for such Lease Year on Exhibit C. For the avoidance of doubt, the foregoing direction does not constitute an assumption by Tenant of Landlord's obligations under the Loan Documents, and does not alter Landlord's obligations thereunder, but rather is an accommodation by Tenant to Landlord which constitutes consideration hereunder. Prorated monthly payments of Base Rent shall be made if the Term of this Lease begins on a date other than the first day of a month or ends on a date other than the last day of a month. In the event that the payments due Lender under the Loan Documents are modified (including, but not limited to, via application of amounts in the P&I Reserve as set forth in the Loan Documents), then Base Rent, Additional Rent and Bonus Rent (each as applicable) hereunder shall be equitably adjusted to take such modification into account. For the avoidance of doubt, Base Rent (1) does not include any balloon payments or otherwise accelerated payment of principal that may be required under the Loan Documents, and (2) includes any amounts funded by Landlord into the "Lender-Mandated Reserve Accounts" (as defined herein), whether for "Impositions" (as defined herein) or otherwise in connection with the Landlord's acquisition of the Property. Base Rent shall include amounts required by the Lender to be deposited monthly with Landlord (or Landlord's designee), in connection with its payment of Base Rent, to fund the Lender-Mandated Reserves (as defined below) with any account(s) holding such reserves being held in the Lender-Mandated Reserve Account (as defined below), which Tenant may use to pay for Capital Expenses, subject to the terms of the Loan Documents notwithstanding anything to the contrary contained herein. Notwithstanding the foregoing, any amounts funded into Lender Mandated Reserve Accounts in connection with the Landlord's acquisition of the Property shall not be treated as an amount owed by Tenant to Landlord for any purpose of this Lease after funding thereof in connection with the Trust's acquisition of the Property.

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(ii) an amount equal to 100% of Gross Income for a year ("**Additional Rent**") between the additional rent breakpoint for that year (the "**Additional Rent Breakpoint**") and a maximum amount for that year (the "**Additional Rent Cap**"), each as outlined on Exhibit C. Additional Rent shall be calculated for each Lease Year (prorated for any partial year). Tenant shall pay Additional Rent to Landlord in monthly installments. Such installment payments shall be based on Tenant's good faith estimates taking into consideration the operational characteristics of the Property. Prorated monthly payments of Additional Rent shall be made if the Term of this Lease begins on a date other than the first day of a month or ends on a date other than the last day of a month. Tenant and Landlord shall reconcile Additional Rent within 120 days after the end of each calendar year, or as soon as practicable thereafter. For purposes of this Lease, "**Gross Income**" means all income collected by Tenant from rents, license fees and/or assessments and other items arising from the use of the Property, including but not limited to, rents on the Property, space tenant payments for reimbursement of real estate taxes, property liability and other insurance, common area maintenance, tax reduction fees, late fees, returned check charges, damages and repairs, and all other space tenant reimbursements, administrative charges, proceeds of rental interruption insurance, parking fees, reimbursement of lender impounds for insurance, real estate taxes and reserves, proceeds from insurance claims, income from coin operated machines and other miscellaneous income, due or to become due.

(iii) an amount equal to 90% of Gross Income for a year ("**Bonus Rent**") that exceeds the bonus rent breakpoint for that year ("**Bonus Rent Breakpoint**"), up to a maximum amount of Bonus Rent for such year (the "**Bonus Rent Maximum Amount**"), each as outlined on Exhibit C (Base Rent, Additional Rent, Bonus Rent and any other amounts payable by Tenant to Landlord hereunder are collectively referred to as "**Rent**"). Bonus Rent shall only be paid after Base Rent and Additional Rent have been fully paid. Bonus Rent shall be calculated on a calendar year basis (prorated for any partial year) and shall be paid in arrears by Tenant to Landlord within 120 days after the end of each calendar year, or as soon as practicable thereafter.

(iv) Notwithstanding the foregoing, or anything in this Lease to the contrary, Base Rent includes only the amounts specific in Section 3.01(b) and does not, by way of illustration but not limitation, include any balloon payments, acceleration of payments, increased payments arising by reason of an event of default under the Loan. In the event that the payments due to the Lender under the Loan Documents are increased other than as already contemplated in this Section 3.01(b) and Tenant is required to remit such payments out of cash flow from the Property that exceeds the Base Rent contemplated in Section 3.01(b)(i), then to the extent (and only to the extent) of such cash flow in excess of Base Rent, such increased payments remitted to the Lender by Tenant will be treated: (1) as having been paid to Landlord as Additional Rent and Bonus Rent (each as applicable) in satisfaction of Tenant's obligation to pay such amounts to Landlord under this Lease; and then (2) remitted by Tenant on behalf of Landlord to the Lender in satisfaction of Landlord's obligations under the Loan Documents.

(c) Subject to Section 3.01(e), additional financial obligations of Tenant to Landlord consist of the following:

(i) Tenant shall pay (A) all costs and expenses (and taxes, if any, thereon) paid or incurred in respect of the operation, maintenance, management and security of the Property which, in accordance with generally accepted accounting principles are properly

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chargeable to the operation, maintenance, management and security of the Property, including the "**Cost of Utilities**" (which for purposes of this Lease shall mean the cost of electricity, gas, oil, steam, water, air conditioning, cable, internet and other fuel and utilities used or consumed in connection with the Property), property management fees, reasonable attorneys' fees and disbursements and auditing, management and other professional fees and expenses (hereinafter collectively, in addition to the items described in Section 7.01, referred to as "**Operating Costs**"), and (B) before any fine, penalty or cost may be added thereto for the nonpayment thereof, subject to Section 3.01(c)(iii) hereof, all taxes, assessments, water and sewer rents, rates and charges, charges for public utilities, excises, levies, license and permit fees and other similar charges associated with the Property and the transactions contemplated in this Lease in excess of the Tax and Insurance Reserve Funds (as defined in Section 7.03) (provided, however, that for the avoidance of doubt such amounts shall be net of any tax abatements or other local tax benefits associated with the Property) (each, an "**Imposition**" and collectively, "**Impositions**").

(ii) Nothing herein shall obligate Tenant to pay, and the term "Impositions" shall exclude, federal, state or local (A) transfer taxes as the result of a conveyance by (or suffered by) Landlord, (B) franchise, capital stock or similar taxes if any, of Landlord, (C) income, excess profits or other taxes, if any, of Landlord, determined on the basis of or measured by its net income, or (D) any estate, inheritance, succession, gift, capital levy or similar taxes, unless the taxes referred to in clauses (B) and (C) above are in lieu of or a substitute for any other tax or assessment upon or with respect to any of the Property which, if such other tax or assessment were in effect at the commencement of the Term, would be payable by Tenant. In the event that any assessment against any of the Property may be paid in installments, Tenant shall have the option to pay such assessment in installments; and in such event, Tenant shall be liable only for those installments which become due and payable during the Term. Tenant shall prepare and file all tax reports required by governmental authorities which relate to the Impositions.

(iii) After obtaining written consent from Landlord, Tenant shall not be required to pay any Imposition so long as Tenant shall contest, in good faith and at its expense, the amount thereof by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of, or other realization upon any property securing, the Imposition. In no event shall Tenant pursue any contest with respect to any Imposition in such manner that exposes Landlord to (A) criminal liability, penalty or sanction, (B) any civil liability, penalty or sanction for which Tenant has not made provisions reasonably acceptable to Landlord and Lender or (C) defeasance of its interest in the Property. Tenant agrees that each such contest shall be promptly and diligently prosecuted to final conclusion, except that Tenant shall have the right to attempt to settle or compromise such contest through negotiations. Tenant shall pay and save the Lender and Landlord harmless against any and all losses, judgments, decrees and costs (including all reasonable attorneys' fees and expenses) in connection with any such contest and shall, promptly after the final determination of such contest, fully pay and discharge the amounts which shall be levied, assessed, charged or imposed or be determined to be payable therein or in connection therewith, together with all penalties, fines, interest, costs and expenses thereof or in connection therewith, and perform all acts the performance of which shall be ordered or decreed as a result thereof.

(d) Provided such monthly escrows are required by the first lienholder of the Property, Tenant shall deposit monthly with Landlord (or Landlord's designee), simultaneously

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with its payment of Rent, as additional rent, one-twelfth (1/12) of the Impositions and premiums for insurance required under Article 4 hereof, which amounts may be adjusted from time to time depending on such Impositions and insurance premiums from time to time, in amounts sufficient to pay the same when due. This Section 3.01 is subject to the terms and conditions of the Loan Documents. Tenant may use the Tax and Insurance Reserve Funds to fund such payments. Any such tax or insurance reserve amounts (and the items that such funds are used to satisfy) shall for all purposes of this Lease be treated not as an obligation of Tenant to Landlord but rather an obligation of Landlord which Landlord was required by Lender to fund and satisfy in connection with Landlord's acquisition of the Property.

(e) Tenant and Landlord hereby agree that, as provided in this Lease, Tenant will pay, on behalf of Landlord, any real estate taxes with respect to the Property (for the avoidance of doubt, net of any tax abatements or other local tax benefits associated with the Property), the Insurance Costs (as defined in Section 4.02) and the Cost of Utilities (the "**Uncontrollable Expenses**"). Nevertheless, Landlord and Tenant hereby agree that Tenant is financially responsible solely for the amount of Uncontrollable Expenses set forth as the projected Uncontrollable Expenses in the Financial Forecast attached as Exhibit E to the Confidential Private Placement Memorandum for Beneficial Interests in Lansing MI Multifamily DST (the "**Financial Forecast**") (such projected amounts the "**Projected Uncontrollable Expenses**"). If the actual Uncontrollable Expenses for any calendar year exceed the Projected Uncontrollable Expenses for such calendar year, then Tenant shall be entitled to offset the amount of such excess against Additional Rent and/or Bonus Rent falling due hereunder. If the actual Uncontrollable Expenses are less than the Projected Uncontrollable Expenses, then Tenant shall pay such amount to Landlord as additional Rent hereunder (determined and paid in a manner consistent with the determination and payment hereunder of Bonus Rent). By way of illustration but not limitation, the Financial Forecast sets forth assumptions regarding certain potential increases in Impositions with respect to the Property, and to the extent the actual amount of such Impositions for a Lease Year are less than the amount of Impositions set forth in the Financial Forecast, such difference shall be paid to the Landlord as Rent in a manner consistent with the payment of Bonus Rent hereunder.

Section 3.02. Landlord shall promptly send to Tenant all bills which it may receive for Impositions and Operating Costs referred to in Section 3.01 above. Tenant shall make payment of all Impositions directly to the appropriate Governmental Authority (as hereinafter defined) and all Operating Costs to the parties to whom such amounts are due and payable. Within fifteen (15) days after receipt thereof, Tenant shall make available to Landlord for its inspection official receipts of the appropriate taxing authority, or other proof satisfactory to Landlord, evidencing the payment of any Imposition payable directly by Tenant to a Governmental Authority as in this Article provided. To the extent available, Tenant shall be entitled to use amounts deposited pursuant to Section 3.01(c) above to fund the payment of Impositions and premiums for insurance.

Section 3.03. Landlord shall inform Tenant in writing, within five (5) business days following receipt of notice thereof, of any audit, threatened audit, or other administrative or judicial proceeding or action by any Governmental Authority which could give rise to an obligation by Tenant to pay, or indemnify Landlord for, Impositions.

Section 3.04. Notwithstanding any other terms of this Article 3, Tenant shall not be required to pay, nor to indemnify or hold harmless Landlord to the extent (and only to the extent)

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that any Imposition or Operating Cost arises or is increased directly as a result of the breach by Landlord of any of its obligations under this Lease.

Section 3.05. To the extent that any portion of the Operating Costs or Impositions relate to any period not included within the Term, Tenant's obligation to pay the same shall be prorated.

Section 3.06. Tenant shall pay the Rent, Operating Costs, Impositions and all other amounts due and payable hereunder without notice, demand, setoff, counterclaim, deduction, defense, abatement, suspension, deferment, diminution or reduction during the Term.

Section 3.07. If any installment of Rent is not paid within fifteen (15) days after written notice is given by Landlord to Tenant that the same is overdue, Tenant shall pay to Landlord, as additional rent, a late charge equal to the late charge assessed by Landlord's lender with respect to the mortgage payment which would have been funded by Landlord utilizing such overdue installment of Rent, had it been paid to Landlord in a timely fashion.

Section 3.08. Landlord and Tenant agree that this Lease is a true lease and does not represent a financing arrangement, partnership, joint venture, management, agency or other arrangement. Each party shall reflect the transactions represented by this Lease in all applicable books, records and reports (including, without limitation, income tax filings) in a manner consistent with "true lease" treatment.

Section 3.09. For the avoidance of doubt, and subject to the terms and conditions of the Loan Documents, Tenant's obligation to pay rent and any other amounts to Landlord shall be limited to the Rent and Tenant shall be entitled to retain any other revenues generated by the Property after payment of Rent and any other amounts Tenant is expressly required to pay under this Lease.

Section 3.10. While the Loan is outstanding, Tenant shall, as an accommodation to Landlord, provide all financial information and other reporting information required under the Loan Documents to Lender on behalf of Landlord.

Section 3.11. Landlord or Tenant shall prepare an annual budget each year in accordance with the Loan Documents.

Section 3.12. Tenant represents and warrants to Landlord that no brokerage or commission is due.

Section 3.13. Notwithstanding anything to the contrary contained in this Agreement, for so long as the Loan remains outstanding, the following provisions shall apply and control:

(a) Tenant shall pay Lender, on Landlord's behalf, any and all payments of any kind required pursuant to the Loan Documents irrespective of "cash flow" from, or revenue with respect to, the Property, and such payments shall not be subject to set off against any rent payments under this Agreement; provided that Master Lessee is not understood or intended to be, and shall not be treated as, a de facto co-borrower, guarantor, agent or similar party for or under the Mortgage Loan.

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(b) All amounts (including, without limitation, rent) owed by Tenant to Landlord pursuant to any provision of this Agreement shall bear interest from the date due until paid at a rate equal to or greater than the default rate required pursuant to the Loan Documents, subject to applicable law.

(c) Tenant shall not take, or fail to take, any action which would result in a violation of the terms of the Loan Documents, including, without limitation, Tenant shall operate, maintain, use or permit the Property to be used in such a manner as to comply with the "Operating Covenants" (as defined in the Loan Documents).

(d) All insurance policies required to be maintained by Tenant pursuant to this Agreement shall at all times comply with the insurance requirements set forth in the Loan Documents, and shall specifically name Fannie Mae as an additional insured and contain a mortgagee clause and loss payable clause for the benefit of Fannie Mae, its successors and assigns.

(e) Tenant acknowledges and agrees that, pursuant to the Loan Documents, Lender has the right to terminate this Agreement after a Master Lease Termination Event (as defined in the Loan Documents).

(f) Tenant acknowledges and agrees that to the extent there is any inconsistency or conflict between the terms of this Agreement and the terms of the Loan Documents, the Loan Documents shall govern.

(g) Tenant has executed and delivered an assignment of leases and rents and other documents required by Landlord to secure Tenant's obligations under this Agreement, which documents are hereby deemed to be lease documents together with this Agreement.

(h) Tenant agrees to execute and deliver an estoppel certificate in a form required by Lender.

(i) Tenant (i) acknowledges and agrees that (A) this Agreement, Tenant's leasehold estate and any payments or reimbursements or amounts due Tenant are hereby made subject and subordinate to the Loan, the Loan Documents and all liens created thereunder, and (B) Tenant's and any guarantor's claims against Landlord are hereby made subordinate to Lender's claims against Landlord, and (ii) agrees to execute and deliver a subordination agreement in favor of Lender confirming such subordination.

(j) Tenant acknowledges and agrees that Landlord may (i) enter into the Loan, (ii) encumber Landlord's fee estate and the other Property as described in the Loan Documents, and (iii) assign its interest in the Master Lease Documents (as defined in the Loan Documents) as described in the Loan Documents.

(k) Tenant acknowledges and agrees that Lender's exercise of remedies under the Loan Documents shall not be affected or impaired by the terms of this Agreement, or by whether a default under this Agreement has occurred.

(l) Tenant represents and warrants that all representations and warranties with respect to the Property and Tenant set forth in the Loan Documents are true and correct.

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(m) With respect to any Master Lessee obligations in any Master Lease Document, Tenant shall be responsible for indemnifying or reimbursing Landlord for Landlord's indemnification, reimbursement, and other similar obligations to Lender, and Tenant shall maintain appropriate insurance for such purposes.

(n) Tenant acknowledges and agrees that Tenant's engagement of a property manager and the amendment and termination of any property management agreement shall comply with the criteria set forth in the Loan Agreement (as defined in the Loan Documents).

(o) Tenant shall not assign, sublease, or transfer Tenant's interest in this Agreement, without the prior written consent of Lender.

(p) Tenant acknowledges and agrees that Lender (and its assignee or nominee) may transfer the lessor's interest in this Agreement without notice to or consent of Tenant following a foreclosure under the Security Instrument (as defined in the Loan Documents) (or a deed in lieu of foreclosure or any other comparable exercise of remedies).

(q) To the extent that Landlord is obligated to make replacement/repair escrow deposits in this Agreement, Master Lessee shall assume such responsibilities and pay any related amounts as part of its rent payment.

(r) Tenant acknowledges and agrees that, notwithstanding anything to the contrary contained in the Master Lease Documents, in the event that an "Event of Default" under the Loan Documents is also a default under the Master Lease Documents, or vice versa, the cure period, if any, for such default shall be the shorter of cure period, if any, set forth in the Master Lease Documents and the cure period, if any, set forth in the Loan Documents.

(s) Subject to the terms of the Subordination Agreement (DST Master Lease) (as defined in the Loan Documents), Landlord agrees that all applicable remedies available to Lender under the Loan Documents are available to Landlord under this Agreement.

(t) In no event shall Tenant be entitled to special, consequential, or punitive damages and Landlord's liability under this Agreement shall be limited to its interest in the Property.

(u) Landlord and Tenant shall copy Lender on any notice of default delivered under this Agreement or any other Master Lease Document.

(v) Tenant acknowledges and agrees that (i) Landlord's election of one remedy under this Agreement shall not impair the exercise of alternate or additional remedies or constitute a waiver thereof, and (ii) Landlord shall have no duty to mitigate damages unless required by law.

(w) Tenant hereby irrevocably constitutes and appoints Landlord as Tenant's attorney-in-fact to demand, receive and enforce its rights with respect to the provisions set forth in the Master Lease Documents and to do any and all acts in Tenant's name or in the name of Landlord with the same force and effect as Tenant could do if this power of attorney had not been granted. The foregoing appointment shall be deemed to be coupled with an interest and irrevocable. Tenant (i) acknowledges that such power of attorney has been or will be assigned to

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Lender, (ii) consents to such assignment, and (iii) agrees to recognize Lender as Landlord's attorney-in-fact.

(x) This Agreement shall be governed by the laws of the Property jurisdiction.

(y) This Agreement shall be binding upon Landlord's and Tenant's respective permitted successors and assigns.

(z) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall remain in full force and effect. This Agreement contains the complete and entire agreement among the parties as to the matters covered, rights granted and the obligations assumed in this Agreement.

(aa) Tenant acknowledges and agrees that any consent of Landlord required under this Agreement shall never be deemed and shall require Landlord's actual written consent.

(bb) Tenant acknowledges and agrees that (i) notices under this Agreement shall be given in the same manner as set forth in the Loan Agreement, and (ii) Landlord is authorized to deliver any notice, request, report, or other communication received from Tenant to Lender.

(cc) Tenant acknowledges and agrees that Landlord and Lender may disclose all information received from Tenant concerning Tenant, the Master Lease Documents, or the Mortgaged Property without Tenant's consent.

(dd) Tenant shall not Divide (as defined in the Loan Agreement).

ARTICLE 4
Insurance

Section 4.01. Throughout the Term, Landlord may, at Landlord's sole cost and expense, obtain and maintain, or cause to be obtained and maintained, insurance in amounts and against risks consistent with insurance coverages obtained and maintained by owners of improved real property similar to the Property. Landlord shall be a named insured on any such policies.

Section 4.02. Throughout the Term, Tenant shall, at Tenant's sole cost and expense after the Tax and Insurance Reserve Funds have been utilized for payment of insurance premiums as provided in Section 7.04 (subject to Section 3.01(e)), obtain and maintain, or cause to be obtained and maintained, insurance, in the amounts and against the risks, described on Exhibit B attached hereto and made a part hereof, or, if different, such insurance, in the amounts and against the risks, as may be required by any lender that has made a loan to Landlord secured by the Property. Landlord shall be named as an additional insured on all such policies of insurance. To the extent any lender that has made a loan to Landlord secured by the Property requires a change to the insurance coverages described on Exhibit B, Landlord shall notify Tenant, in writing, not less than thirty (30) days prior to the date upon which any such change in insurance coverage is required to become effective hereunder. Any lender shall be named as a mortgagee and loss payee on the property/casualty insurance policy and as an additional insured on the liability policy, as may be required by such lender. All costs incurred by Tenant in maintaining the insurance required by this Section 4.02 are herein collectively referred to as the "**Insurance Costs**."

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Section 4.03. Landlord shall be furnished with evidence reasonably satisfactory to Landlord of Tenant's payment of the premiums for the insurance coverage required by this Lease. Tenant shall renew all such insurance and deliver to Landlord certificates evidencing such renewals before any such insurance is set to expire (except to the extent that provision for payment of the premiums therefor is actually made pursuant to Section 3.01(c) of this Lease).

Section 4.04. Landlord shall not be required to incur any expense under any policy of insurance maintained by Tenant or to prosecute any claim against any insurer or to contest any settlement proposed by any insurer. Tenant may, at its cost and expense, prosecute any such claim or contest any such settlement.

ARTICLE 5
Casualty and Restoration

Section 5.01. If during the Term all or any part of the Property shall be damaged or destroyed by fire or other casualty, Tenant shall promptly give notice thereof to Landlord.

Section 5.02.

(a) If during the Term all or any part of the Property shall be damaged or destroyed by any fire or other casualty, this Lease shall continue in full force and effect. Subject in all respects to the terms of the Loan Documents, 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 Property 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 (collectively, the "**Casualty Restoration**"), and shall be paid out from time to time as the Casualty Restoration progresses upon the written request of Tenant.

(b) 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 in Article 7) to make up the deficiency, subject to any required approvals of the first lienholder of the Property. In the event the Reserve Accounts are 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.

Section 5.03. If Landlord fails to diligently pursue to completion the Casualty Restoration of any portion of the Property damaged or destroyed by fire or other casualty as provided in Section 5.02(a) above, then, in such event, Tenant shall have the right to perform such Casualty Restoration on behalf of Landlord and at Landlord's expense. Subject to any required approval of the first lienholder of the Property, Tenant shall have the right to use the Reserve Accounts in connection with any such Casualty Restoration performed by Tenant on behalf of Landlord.

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Section 5.04. Landlord shall have the right to satisfy its obligations under this Article 5 by requiring the property manager of the Property to perform the Casualty Restoration.

Section 5.05. Notwithstanding the foregoing provisions of this Article 5, but subject to the terms of the Loan Documents, in the event all or a material portion of the Property is damaged or destroyed by fire or other casualty, following which (i) Landlord's lender elects not to make the insurance proceeds available to Landlord for restoration, and (ii) Landlord then elects not to reconstruct the Property, then this Lease automatically shall terminate and neither party shall have any further obligations hereunder.

ARTICLE 6
Condemnation

Section 6.01.

(a) If during the Term all or any part of the Property shall be subject to a "**Taking**," which shall mean any taking of the Property 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 Tenant's rights, title and interest in any award, payment or compensation (including, without limitation, any insurance proceeds) 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. Subject in all respects to the terms of the Loan Documents, and 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 Property 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 (collectively, the "**Condemnation Restoration**"). The Condemnation Restoration shall be performed by Landlord so as to restore the Property, 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.

(b) 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 Accounts (as defined in Section 7.03) to make up the deficiency, subject to any required approvals of the first lienholder of the Property. Should the award, payment or compensation, together with the Reserve Accounts, 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.

(c) If Landlord fails to diligently pursue to completion the Condemnation Restoration of any portion of the Property affected by any Taking as provided in Section 6.01(a) hereof, then, in such event, Tenant shall have the right to perform such Condemnation Restoration on behalf of Landlord and at Landlord's expense. Subject to any required approval of the first

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lienholder of the Property, Tenant shall have the right to use the Reserve Accounts in connection with any such Condemnation Restoration performed by Tenant on behalf of Landlord.

(d) Landlord shall be entitled to participate in any Taking proceeding at Landlord's cost and expense.

Section 6.02.

(a) If during the Term (i) there is a permanent Taking of all of the Property, or (ii) there is a permanent taking of less than all of the Property but it is impractical to rebuild the Property and/or continue to operate the Property as a multi-family apartment complex, then this Lease automatically shall terminate, and neither party shall have any further obligations hereunder.

(b) If during the Term (i) there is a permanent Taking of less than all of the Property and it is economically feasible to rebuild the Property and/or continue to operate the Property as a multi-family apartment complex, or (ii) the use or occupancy of any part, or all, of the Property 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 (collectively, "**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 Rent in an equitable fashion to reflect the economic effect of any such Taking or temporary requisition.

Section 6.03. Landlord shall have the right to satisfy its obligations under this Article 6 by requiring the property manager of the Property to perform the Condemnation Restoration.

Section 6.04. This Article 6 is subject to the terms and conditions of the Loan Documents.

ARTICLE 7
Maintenance and Repairs

Section 7.01. Tenant shall be financially responsible for all "**Operating Costs**" as defined in Section 3.01(c)(i). Tenant shall take good care (or cause good care to be taken) of the Property, alleyways and passageways and the sidewalks, curbs and vaults adjoining the Property, 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 shall perform all personal property replacements and repairs, and all repairs necessary to avoid any structural damage or injury to the Property, whether or not the cost of such replacements or repairs constitute Operating Costs borne by Tenant or Capital Expenses borne by Landlord, it being understood, for the avoidance of doubt, that Tenant's performance obligations as set forth in this Section 7.01 (or in any other section of this Lease) do not alter the relative financial responsibilities of Tenant and Landlord otherwise established in this Lease, and it being further understood, for the avoidance of doubt, that notwithstanding Tenant's performance obligations set forth in this Section 7.01 and in Section 7.02, to the extent a Tenant performance obligation arises with respect to an item for which Landlord is financially responsible, Tenant shall not be obligated to perform such item if funds are not immediately available to Tenant, as reasonably determined

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by Tenant taking Tenant's rights set forth in Section 7.04 into account, to compensate Tenant for any costs associated with such item.

Section 7.02. 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 structural elements of the Property which are not Operating Costs and thus would be capitalized under generally accepted accounting principles, including, but not limited to (i) replacement of roofs, chimneys, gutters, downspouts, paving, curbs, ramps, driveways, parking lots, balconies, patios, windows, foundations, exterior walls and all load bearing walls, exterior doors and doorways, windows, elevators, fences, gates and HVAC systems and components thereof, and all furniture, fixtures and equipment, and (ii) exterior painting or other façade maintenance. In addition, "Capital Expenses" shall include any obligations of the Trust under the Loan Agreement (as hereinafter defined) with respect to environmental matters and capital repairs made at the Property and shall also include costs arising with respect to extraordinary measures taken to conserve and protect the Property in the context of any pandemic including but not limited to the novel coronavirus commonly known as COVID-19. Other than as set forth in this Section 7.02, Landlord shall not be required to furnish any services or facilities or make any repairs, replacements or alterations in or to the Property, and Tenant hereby assumes the full and sole responsibility (but not cost) for the operation, repair, replacement, maintenance and management of the Property.

Section 7.03. Subject to the terms and conditions of the Loan Documents, upon the execution of this Lease, Landlord shall deposit the following sums into separate accounts designated by Tenant: (a) $86,700, which shall constitute the initial funding of the "**Replacement Reserve Account**" and which shall be available for payment of Capital Expenses during the Term, or may be used as otherwise provided under the Loan Documents; (b) $482,431, which shall constitute the initial funding of the "**Tax and Insurance Reserve Funds**" and which shall be available as provided in the Loan Documents to be used to pay up to $103,974 in insurance premiums due with respect to insurance maintained for the Property during the Term and in real estate taxes due with respect to the Property during the Term, or may be used as otherwise provided under the Loan Documents and (c) $424,552 which shall constitute the tax increment financing holdback ("**TIF Holdback Reserve**"), and which shall be available and used as provided in the Loan Documents. The Replacement Reserve Account, the Tax and Insurance Reserve Funds and the TIF Holdback Reserve are collectively referred to herein as the as the "**Lender-Mandated Reserves**" to be funded into "**Lender-Mandated Reserve Accounts**." In addition, Landlord shall fund the "**Trust Reserve Account**" with an initial deposit as of the date of this Lease in the amount of $0 but which shall be funded pursuant to the offering process set forth in the Confidential Private Placement Memorandum for Beneficial Interests in Lansing MI Multifamily DST, in the anticipated amount as of the date hereof of $876,201, which funds (when available) shall be available to Tenant as provided in Section 7.04. The Lender-Mandated Reserve Accounts and the Trust Reserve Account are collectively referred to herein as the "**Reserve Accounts**." The Tax and Insurance Reserve Funds and the TIF Holdback Reserve (and the items that such funds are used to satisfy) shall for all purposes of this Lease be treated not as an obligation of Tenant to Landlord but rather an obligation of Landlord which Landlord was required by Lender to fund and satisfy in connection with Landlord's acquisition of the Property. Subject to the terms and conditions of the Loan Documents, the Reserve Accounts shall be held by Tenant to use in accordance with this Lease. Upon the expiration or earlier termination of this Lease, any funds

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remaining in the Reserve Accounts shall be disbursed to Landlord or its designee. Notwithstanding any other provision herein, all Reserve Accounts must be held by and in the name of Landlord.

Section 7.04. Subject to any required approvals of the first lienholder of the Property and, if applicable, to the terms of the Loan Documents, funds in the Reserve Accounts shall be available to and may be withdrawn by Tenant to pay for (i) Operating Costs and Capital Expenses described in Section 7.02 above, as determined by Tenant in its sole discretion, (ii) any Restoration, and (iii) any Condemnation Restoration. If the Reserve Accounts are not available for any reason and funds of Tenant are used to pay for expenses for which Landlord is responsible hereunder (including, without limitation, funding any Lender-Mandated Reserves that are used to pay for obligations hereunder that belong to Landlord) or under the Loan Documents, such amount shall be treated as a loan from Tenant to Landlord bearing interest at the prime rate (or base rate) reported from time to time in the "Money Rates" column or section of The Wall Street Journal as being the base rate on corporate loans at larger United States money center commercial banks plus five percent (5%), which Tenant may recover by set off against Additional Rent and Bonus Rent (but not, for the avoidance of doubt, against Base Rent) and, if not previously repaid, out of the gross sales proceeds of the Property if such amounts are not repaid prior to the sale or exchange of the Property (or the expiration or earlier termination of this Lease if sooner). Any amounts so reimbursed by Landlord to Tenant out of Additional Rent, Bonus Rent or proceeds from the sale of the Property shall be treated first as having been paid to Tenant (whether as Additional Rent, Bonus Rent or proceeds from the sale of the Property) and then remitted by Landlord to Tenant in satisfaction of Landlord's obligation pursuant to this Section 7.04. If funds held in the Reserve Accounts are used to pay for expenses for which Tenant is responsible hereunder, such amount shall be treated as a loan from Landlord to Tenant bearing interest at the prime rate (or base rate) reported from time to time in the "Money Rates" column or section of The Wall Street Journal as being the base rate on corporate loans at larger United States money center commercial banks plus five percent (5%), which Tenant will reimburse to the Reserve Accounts as soon as practicable thereafter, and in no event later than the expiration or earlier termination of this Lease.

Section 7.05. Tenant shall have the right to satisfy its obligations with respect to the Property under this Article 7 by requiring the property manager to cause the performance of such obligations.

Section 7.06. The necessity for and adequacy of replacements, maintenance and repairs to the Property pursuant to this Article 7 shall be measured by the standard which is appropriate for "Class A" multifamily residential property in the area in which the Property is situated.

ARTICLE 8
Alterations and Additions

Section 8.01. Subject to the terms and conditions of the Loan Documents, Tenant may make alterations to (but not additions to, removals of, and substitutions for) the buildings or any portion thereof situated on the Property, provided that (a) no such alterations shall be undertaken without Landlord's prior written consent; (b) the fair market value of the Property shall not be lessened by reason thereof; (c) all such alterations shall be completed in compliance with any and all valid laws, rules, regulations, ordinances, orders, codes, judgments, decrees, injunctions, permits or similar norms or decisions of any Governmental Authority having jurisdiction over the

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Property or the use, manner of use or occupancy thereof (collectively, "**Law**"); (d) any such additions shall become the property of Landlord when completed. Tenant shall discharge any and all liens filed against the Property arising out of any alteration thereof and, upon the written request of Landlord, shall deliver to Landlord a surety bond or other security satisfactory to Landlord to assure the completion thereof and (e) no such alterations shall be made without Lender's prior written consent to the extent such consent is required under the Loan Agreement.

Section 8.02. Tenant shall not construct or place upon the Property any additional buildings, structures, facilities or other improvements without the prior written consent of Landlord. Notwithstanding anything else in this Lease, or at any time Landlord is a Delaware statutory trust, Landlord shall not have the right, power or ability to make more than minor non-structural modifications to the Property not required by law (in accordance with Revenue Ruling 2004-86).

Section 8.03. Tenant shall have the right, from time to time, to purchase personal property to be used for the benefit of the Property. Upon the expiration of the Term, all such personal property shall belong to Landlord.

ARTICLE 9
Compliance with Law; Zoning

Section 9.01. Tenant shall during the Term, at its sole cost and expense, except for noncompliances which may have existed prior to the commencement of the Term, promptly comply (or cause compliance) with all Laws which may be applicable to the Property or to the use, manner of use or occupancy thereof, and shall take all actions reasonably necessary to comply with any and all orders or requirements affecting the Property by any federal, state, county or municipal authority having jurisdiction over the Property. Tenant shall likewise observe and comply (or cause observance and compliance) with the requirements of all policies of public liability, fire and other insurance at any time in force with respect to the Property. In addition, Tenant shall cause all tenants, subtenants or other occupants of the Property to comply with all Laws which may be applicable to the Property or to the use, manner of use or occupancy thereof.

Section 9.02. Tenant shall not cause or maintain any nuisance in or upon the Property. Tenant shall not suffer or permit the Property, or any portion thereof, to be used by the public, as such, in any way as might tend to impair Landlord's title thereto.

Section 9.03. If Tenant fails to timely take (or cause to be taken), or to diligently and expeditiously proceed to complete (or cause completion) in a timely fashion, any such action described in Section 9.01 or 9.02 hereof, Landlord may, in its sole and absolute discretion, upon prior written notice to Tenant, make payments toward the performance or satisfaction of the same, but shall in no event be under any obligation to do so. All sums so advanced or paid by Landlord (including, without limitation, counsel and consultant fees and expenses, investigation and laboratory fees and expenses, and fines or other penalty payments) and all sums paid in connection with any judicial or administrative investigation or proceeding relating thereto, will immediately, upon demand, become due and payable from Tenant.

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Section 9.04. Without Landlord's prior written consent, Tenant shall not (a) change, consent or apply for the change of the zoning or any land use regulation affecting the Property or any part thereof, or (b) combine the Property with any other parcel to create an enlarged zoning or tax lot.

ARTICLE 10
Discharge of Liens

In the event that the Property or any part thereof or Tenant's leasehold interest therein shall, at any time during the Term, become subject to any vendor's, mechanic's, laborer's, materialman's or other, encumbrance or charge other than any such lien based upon the furnishing of materials or labor to Landlord and contracted for by Landlord, Tenant shall cause the same, at its sole cost and expense, to be discharged or bonded promptly after notice thereof.

ARTICLE 11
Right of Landlord to Perform Tenant's Covenants

Landlord shall have the right at any time, after ten (10) days' notice to Tenant (or without notice in case of emergency or in case any fine, penalty or cost may otherwise be imposed or incurred), or upon such lesser period of notice as is otherwise herein provided for, to make any payment or perform any act required of Tenant under this Lease, and in exercising such right, to incur necessary and incidental costs and expenses, including, without limitation, reasonable counsel fees and expenses. Nothing herein shall imply any obligation on the part of Landlord to make any payment or perform any act required of Tenant, and the exercise of the right so to do shall not constitute a release of any obligation or a waiver of any default. All payments made by Landlord and all costs and expenses incurred by Landlord in connection with any exercise of such right, shall be payable to Landlord by Tenant within ten (10) days after written demand.

ARTICLE 12
Entry on Property by Landlord

At any time, Landlord, through its agents or employees, at all reasonable times and upon prior notice to Tenant, shall have the right to enter the Property to inspect same.

ARTICLE 13
Assignment and Subletting

Section 13.01. Tenant shall not assign this Lease or its interest under this Lease, directly or indirectly, unless it first obtains the prior written consent of Landlord and Lender, which may be withheld in either's sole discretion, whether reasonable or unreasonable. Notwithstanding the foregoing, but subject to the terms and conditions of the Loan Documents, Tenant shall have the right to enter into individual space tenant leases at the Property ("**Space Leases**") or modify, amend, cancel, terminate, extend or renew any Space Leases with one or more subtenants (each a "**Subtenant**" or collectively the "**Subtenants**"). In addition, Tenant shall not grant easements, licenses, rights-of-way or any other rights or privileges in the nature of easements with respect to the Property without the prior written consent of Landlord in each instance. Landlord shall have an unconditional right to assign the Master Lease, subject only to obtaining the consent of Lender.

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For the avoidance of doubt, this Section 13.01 does not apply to any direct or indirect transfers of any ownership interest in Tenant.

Section 13.02. Each of the Space Leases entered into after the date hereof must in each instance contain provisions substantially as follows:

> ("**Sublessee**") covenants and agrees that, if by reason of a default (after the expiration of all applicable notice and grace periods) upon the part of Tenant, the tenant under the underlying lease ("**Sublessor**"), dated December 2, 2021, between Lansing MI Multifamily DST, as landlord, and Sublessor, as Tenant, covering the Property (the "**Master Lease**"), or if for any other reason of any nature whatsoever the Master Lease is terminated by summary dispossess proceeding or otherwise, Sublessee, at the request in writing of the then landlord under such Master Lease, shall attorn to and recognize such successor or assignee of sublessor, or any other tenant under the Master Lease (as the same may be modified, amended or replaced) as Sublessee's landlord. Sublessee covenants and agrees to execute and deliver, at any time and from time to time, upon the request of the landlord under such underlying lease, any instrument which may be necessary or appropriate to evidence such attornment. Sublessee further waives the provisions of any statute or rule of law now or hereafter in effect which may terminate this lease or give or purport to give Sublessee any right of election to terminate this lease or to surrender possession of the Property demised hereby in the event such underlying lease terminates or in the event any such proceeding is brought by such landlord under such underlying lease, if such landlord shall have requested in writing that Sublessee agree that this lease shall not be affected in any way whatsoever by any such proceeding or termination."

Section 13.03. During the Term, neither this Lease nor the Term hereby demised shall be mortgaged by Tenant, nor shall Tenant mortgage or pledge the interest of Tenant in and to any Space Lease or the rentals payable thereunder, except as required by the Lender in connection with a first mortgage loan secured by the Property. Any such mortgage or pledge and any Space Lease, easement, license, right-of-way or other right or privilege made or granted in violation of or without compliance with Section 13.01 of this Lease shall be null and void.

Section 13.04. Tenant may not otherwise sell, assign, transfer, mortgage, pledge or otherwise dispose of any interest in, including personal property (other than obsolete or worn out personalty that are contemporaneously replaced by unencumbered items of equal or better function and quality), of the Property without Landlord's prior written consent, which Landlord may grant or withhold in its sole and absolute discretion.

Section 13.05. The Tenant hereby assigns to the Landlord all rents due or to become due from any present or future Subtenant, provided that so long as the Tenant is not under an Event of Default hereunder, the Tenant shall have the right to collect and receive such rents for the Tenant's own uses and purposes. The effective date of the Landlord's right to collect rents described in this Section 13.05 of this Lease shall be the date of the happening of an Event of Default under Section

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16 of this Lease. Upon an Event of Default, the Landlord shall apply any net amount collected by the Landlord from Subtenants to the Base Rent or Additional Rent due under this Agreement. No collection of rent by the Landlord from an assignee of this Agreement or from a Subtenant shall constitute a waiver of any of the provisions of this Section or an acceptance of the assignee or Subtenant as a tenant or a release of the Tenant from performance by the Tenant of the Tenant's obligations under this Agreement. The Tenant without the prior consent of the Landlord in writing, shall not directly or indirectly collect or accept any payment of subrent (exclusive of security deposits) under any Sublease more than 1 month in advance of the date when the same shall become due.

ARTICLE 14
Use of Property; Quiet Enjoyment

Section 14.01. Tenant shall use the Property solely as a multi-family apartment complex and other uses incidental thereto.

Section 14.02. Tenant, upon paying amounts payable under this Lease provided for and observing and keeping the covenants, agreements, terms and conditions of this Lease on its part to be observed and performed, shall, subject to the covenants, agreements, terms and conditions of this Lease, lawfully and quietly hold, occupy and enjoy the Property during the Term, without hindrance or molestation by Landlord or by any other party claiming under Landlord.

ARTICLE 15
Indemnification of Landlord; Limitation of Liability

Section 15.01. In addition to Tenant's obligations to indemnify Landlord as set forth in other Sections of this Lease, Tenant will indemnify and save harmless Landlord, its beneficiaries, trustees, partners, members, shareholders, officers, directors and employees (each individually an "**Indemnified Party**" and collectively, the "**Indemnified Parties**") from and against any and all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including, without limitation, reasonable attorneys' fees and expenses, which may be imposed upon or incurred by or asserted against such persons (except to the extent the same are caused by the negligence or willful misconduct of Landlord, its agents, employees, licensees, invitees, contractors and/or subcontractors) by reason of any of the following occurring during the Term:

(a) any work or thing done by (or at the direction of) anyone other than Landlord in, on or about the Property or any part thereof;

(b) any use, non-use, possession, occupation, condition, operation, maintenance or management of the Property or any part thereof or any street, alley, sidewalk, curb, passageway or space adjacent thereto;

(c) any negligence of Tenant or any agent, contractor, employee, licensee or invitee of Tenant;

(d) any accident or injury to any person (including death) or damage to property occurring in, on or about the Property or any part thereof or any street, alley, sidewalk, curb, passageway, or space adjacent thereto; and

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(e) any failure on the part of Tenant to perform or comply with any of the agreements, terms or conditions contained in this Lease on its part to be performed or complied with.

Section 15.02. In the event that any action or proceeding shall be brought against an Indemnified Party by reason of any matter covered by this Section, Tenant, upon notice from the Indemnified Party, will at Tenant's sole cost and expense resist or defend the same. To the extent of the proceeds received by Landlord under any insurance policy furnished or supplied to Landlord by Tenant, Tenant's obligation to indemnify and save harmless an Indemnified Party against the hazard which is the subject of such insurance shall be deemed to be satisfied. Tenant acknowledges that Landlord may enter into Loan Documents, which may include provisions for personal liability for Landlord on certain "nonrecourse carve-outs." Tenant hereby agrees that to the extent that Landlord is required to make payments on such indemnification as a direct result of (i) Tenant's fraud, willful misconduct or misappropriation, (ii) Tenant's commission of a criminal act, (iii) the misapplication by Tenant of any funds derived from the Property received by Tenant, including any failure to apply such proceeds in accordance with Lender Requirements, or (iv) damage or destruction to the Property caused by acts of Tenant that are grossly negligent, Tenant will indemnify Landlord for any such liability that was caused by such actions.

Section 15.03. Tenant hereby waives its rights to claim that this Agreement creates a de facto guaranty relationship between the parties or entitles Tenant to guarantor protections.

Section 15.04.

(a) Tenant is fully familiar with the physical condition of the Property and takes the same hereunder "as is" and "where is."

(b) TENANT ACKNOWLEDGES THAT LANDLORD (WHETHER ACTING AS LANDLORD HEREUNDER OR IN ANY OTHER CAPACITY) HAS NOT MADE AND WILL NOT MAKE, NOR SHALL LANDLORD BE DEEMED TO HAVE MADE, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING ANY WARRANTY OR REPRESENTATION AS TO ITS FITNESS FOR USE OR PURPOSE, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE, AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, LATENT OR PATENT, AS TO LANDLORD'S TITLE THERETO, OR AS TO VALUE, COMPLIANCE WITH SPECIFICATIONS, LOCATION, USE, CONDITION, MERCHANTABILITY, QUALITY, DESCRIPTION, DURABILITY OR OPERATION, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY TENANT. In the event of any defect or deficiency in the Property of any nature, whether patent or latent, Landlord shall not have any responsibility or liability with respect thereto or for any incidental or consequential damages (including strict liability in tort). The provisions of this Section 15.04 have been negotiated, and the foregoing provisions are intended to be a complete exclusion and negation of any warranties by Landlord, express or implied, with respect to the Property, arising pursuant to the uniform commercial code or any other Law now or hereafter in effect or otherwise.

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(c) Tenant acknowledges and agrees that Tenant has examined the title to the Property prior to the execution and delivery of this Lease and has found such title to be satisfactory for the purposes contemplated by this Lease.

(d) Landlord hereby assigns to Tenant, to the extent assignable and without recourse or warranty whatsoever, all warranties, guaranties and indemnities, express or implied, and similar rights which Landlord may have against any third party in respect of the Property, including, without limitation, any manufacturer, seller, engineer, contractor or builder, including, but not limited to, any rights and remedies existing under contract or pursuant to the uniform commercial code (collectively, the "**Guaranties**") except those which relate to the structural components of the Property. Such assignment shall remain in effect until the expiration or earlier termination of this Lease. Landlord shall also retain the right to enforce any Guaranties assigned in the name of Tenant upon the occurrence of an Event of Default. Landlord hereby agrees to execute and deliver at Tenant's expense such further documents, including powers of attorney, as Tenant may reasonably request in order that Tenant may have the full benefit of the assignment effected or intended to be effected by this Section 15.04(d). Upon the termination of this Lease, the Guaranties shall automatically revert to Landlord. The foregoing provision of reversion shall be self-operative and no further instrument of reassignment shall be required. In confirmation of such reassignment Tenant shall execute and deliver promptly any certificate or other instrument which Landlord may request. Any monies collected by Tenant under any of the Guaranties after the occurrence of and during the continuation of an Event of Default shall be held in trust by Tenant and promptly paid over to Landlord. To the extent any of the Guaranties are not assignable by Landlord, Landlord shall, upon request by Tenant, enforce same for the benefit of Tenant, at Tenant's sole cost and expense.

Section 15.05. Tenant shall indemnify Landlord against all legal costs and charges incurred in obtaining possession of the Property after default by Tenant or after Tenant's default in surrendering possession upon expiration or earlier termination of this Lease or enforcing any covenant or agreement of Tenant herein contained.

Section 15.06. Notwithstanding anything to the contrary provided in this Lease, there shall be absolutely no personal liability on the part of Landlord or Tenant, their beneficiaries, trustees, members, partners, officers, directors, agents, employees, and/or disclosed or undisclosed principals (or, for the avoidance of doubt, Lender and its affiliates, successors and assigns) with respect to any of the terms, covenants and conditions of this Lease and Tenant shall look solely to the equity of Landlord in the Property for the satisfaction of each and every remedy of Tenant in the event of any breach by Landlord of any of the terms, covenants and conditions of this Lease, such exculpation of personal liability to be absolute and without any exception whatsoever.

Section 15.07. The obligations of Tenant under this Article 15 and under Section 25.02 shall survive the expiration or earlier termination of this Lease, by which is meant that a claim relating to any matter occurring, arising, accruing or otherwise happening during the term of this Lease as to which Tenant has obligations under this Article 15 or under Section 25.02, may be asserted against Tenant after (and notwithstanding) the expiration or earlier termination of this Lease.

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ARTICLE 16
Default and Remedies

Section 16.01. During the Term, any one or more of the following acts or events shall constitute an "**Event of Default**," provided, however that to the extent there is conflict between this Lease and the Subordination Agreement (the "Subordination Agreement") required by the Lender, the Subordination Agreement shall govern.

(a) Tenant (i) shall default in making the payment of any installment of the Rent, or any component thereof, or any Operating Costs or Impositions as and when the same shall become due and payable hereunder, which default continues for a period of ten (10) days following written notice thereof from Landlord, or (ii) shall fail to pay any other amounts payable under this Lease as and when the same shall become due and payable or shall default in any other manner curable by the payment of money; or

(b) Tenant shall default in the performance of or compliance with any of the other covenants, agreements, terms or conditions of this Lease to be performed by or complied with by Tenant (other than any default curable by payment of money), and such default shall continue for a period of thirty (30) days after receipt of written notice thereof from Landlord to Tenant, or, in the case of a default which cannot, with due diligence, be cured within thirty (30) days, Tenant shall fail to proceed promptly (except for unavoidable delays) after the giving of such notice and with all due diligence to cure such default and thereafter to prosecute the curing thereof with all due diligence (it being intended that as to a default not susceptible of being cured with due diligence within thirty (30) days, the time within which such default may be cured shall be extended for such period as may be reasonably necessary to permit the same to be cured with all due diligence; provided, however that in no event shall the extension of any such cure period exceed any applicable cure periods under the Loan Documents or otherwise result in a cure period exceeding one hundred eighty (180) days); provided further that in no event shall Tenant be afforded a cure period for a default that is also a default under the Loan Agreement or Loan Documents executed in connection with the Loan that extends the cure period afforded to Landlord under the Loan Agreement or Loan Documents executed in connection with the Loan; or

(c) Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, composition, readjustment or similar relief under any present or future bankruptcy or other applicable Law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver, or liquidator of Tenant or of all or any substantial part of its properties or of all or any part of the Property; or

(d) if within ninety (90) days after the filing of an involuntary petition in bankruptcy against Tenant or the commencement of any proceeding against Tenant seeking any reorganization, composition, readjustment or similar relief under any Law, such proceeding shall not have been dismissed, or if, within ninety (90) days after the appointment, without the consent or acquiescence of Tenant, of any trustee, receiver or liquidator of Tenant or of all or any substantial part of the properties of Tenant or of all or any part of the Property, such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within ninety (90) days after the expiration of any such stay, such appointment shall not have been vacated, or if, within ninety

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(90) days after the taking of possession, without the consent or acquiescence of Tenant, of the property of Tenant by any Governmental Authority pursuant to statutory authority for the dissolution or liquidation of Tenant, such taking shall not have been vacated or stayed on appeal or otherwise; or

(e) if Tenant shall assign, pledge or encumber any of the rentals or other sums payable from time to time under the Space Leases, other than to Landlord's lender, as may be requested by Landlord; or

(f) if, without the consent of Landlord (or as otherwise permitted herein), Tenant's interest in this Lease or the Term hereby demised shall be mortgaged, encumbered or pledged; or

(g) if any representation, warranty or statement made or deemed to be made by Tenant hereunder or in connection herewith is or proves to have been incorrect or misleading in any material respect when made; or

(h) if it becomes unlawful for Tenant to perform any material obligation hereunder or under any other document executed in connection herewith; or

(i) Tenant ceases to do business or terminates its business as presently conducted for any reason whatsoever or institutes any proceeding for its dissolution or termination; or

(j) if Tenant fails to deliver possession of the Property at the end of the Term; or

(k) if any act or omission of Tenant results in the breach of any indenture, deed of trust, mortgage or other instrument (beyond any applicable notice and cure periods contained therein) to which Landlord or Tenant is a party or to which the Property is bound or may be affected;

then, and in any such event, and during the continuance thereof, Landlord may at its option, then or thereafter while any such Event of Default shall continue and notwithstanding the fact that Landlord may have any other remedy hereunder or at law or in equity, and without prejudice to any of the same, pursue one or more of the following remedies: (1) by notice to Tenant, designate a date, not less than ten (10) days after the giving of such notice, on which this Lease shall terminate; and thereupon, on such date the Term of this Lease and the estate hereby granted shall expire and terminate upon the date specified in such notice with the same force and effect as if the date specified in such notice were the date herein fixed for the expiration of the Term of this Lease, and all rights of Tenant hereunder shall expire and terminate, but Tenant shall remain liable as hereinafter provided and/or (2) pursue any other remedies available to Landlord at law or in equity; so long as the foregoing actions are not prohibited by the Loan Documents.

Section 16.02. If this Lease is terminated as provided in Section 16.01, or as permitted by Law, Tenant shall peaceably quit and surrender the Property to Landlord, and Landlord may, without further notice, enter upon, re-enter, possess and repossess the same by summary proceedings, ejectment or other legal proceeding, and again have, repossess and enjoy the same as

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if this Lease had not been made, and in any such event neither Tenant nor any person claiming through or under Tenant by virtue of any Law or an order of any court shall be entitled to possession or to remain in possession of the Property but shall forthwith quit and surrender the Property. After any termination of this Lease, Landlord will be entitled to recover all unpaid rent that has accrued through the date of termination plus the costs of performing any of Tenant's obligations (other than the payment of rent) that should have been but were not satisfied as of the date of such termination.

Section 16.03. Upon the occurrence and during the continuance of an Event of Default, in addition to any other remedies available to Landlord under this Lease, at law or in equity, Landlord shall have the right to continue this Lease in full force and effect, whether or not Tenant shall have abandoned the Property. If Landlord elects to continue this Lease in full force and effect pursuant to this Section 16.03, then Landlord shall be entitled to enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due. Landlord's election not to terminate this Lease pursuant to this Section 16.03 or pursuant to any other provision of this Lease, at law or in equity, shall not preclude Landlord from subsequently electing to terminate this Lease or pursuing any of its other remedies.

Section 16.04. The exercise, or beginning of the exercise, by Landlord of any one or more of the rights or remedies provided for in this Lease or otherwise existing at law or in equity, or otherwise, shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies so provided for or so existing. The obligations of Tenant under this Article 16 shall survive the expiration or any earlier termination of this Lease.

ARTICLE 17
Additional Rights of Landlord

Section 17.01. No right or remedy conferred upon or reserved to Landlord shall be exclusive of any other right or remedy, and any right and remedy shall be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity. The failure of Landlord to insist at any time upon the strict performance of any covenant or agreement or to exercise any right, power or remedy contained in this Lease shall not be construed as a waiver or relinquishment thereof for the future. A receipt by Landlord of any installment of Rent (or any component thereof) or any other amount hereunder with knowledge of the breach of any covenant or agreement contained in this Lease shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by Landlord. Landlord shall be entitled, to the extent permitted by Law, to injunctive relief in case of the violation, or attempted or threatened violation, of any covenant, agreement, condition or provision of this Lease or to a decree compelling performance of any covenant, agreement, condition or provision of this Lease, or to any other remedy allowed Landlord by Law. In addition to the foregoing, notwithstanding anything to the contrary contained in this Lease, wherever this Lease requires Landlord's prior consent, no such consent shall be deemed to have been made by Landlord unless expressed in writing and signed by Landlord.

Section 17.02. If an Event of Default occurs and is continuing during the Term, Tenant hereby waives and surrenders for itself and all those claiming under it (a) any right and privilege

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which it or any of them may have under any Law to redeem the Property or to have a continuance of this Lease for the Term after termination of Tenant's right of occupancy by order or judgment of any court or by any legal process or writ, or under the terms of this Lease, or after the termination of the Term of this Lease as herein provided, and (b) the benefits of any Law which exempts property from liability for debt or for distress for rent.

Section 17.03. If Tenant shall be in default in the observance or performance of any of its obligations under this Lease and an action shall be brought for the enforcement thereof in which it shall be determined that Tenant was in default, Tenant shall pay to Landlord the expenses incurred in connection therewith, including reasonable attorneys' fees.

ARTICLE 18
Estoppel Certificates

Tenant will, from time to time upon not less than ten (10) days' prior written request by Landlord, deliver to Landlord a written statement, in substantially the form attached hereto as Exhibit D certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and setting forth such modifications) and the dates to which the Rent and other amounts due hereunder have been paid, and either stating that to the knowledge of Tenant no default exists in the performance of any covenant, agreement or condition contained in this Lease or specifying each default of which Tenant may have knowledge. Tenant will provide any additional certifications to Landlord as may be required by Lender from Landlord in the Loan Agreement.

ARTICLE 19
No Merger

There shall be no merger of this Lease or of the leasehold estate hereby created with the fee estate in the Property or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Lease or the leasehold estate hereby created, or any interest in this Lease or in such leasehold estate, as well as the fee estate in the Property.

ARTICLE 20
Surrender and Holding Over

Section 20.01. Upon the expiration or earlier termination of this Lease, Tenant shall peaceably leave and surrender the Property (except as to any portion thereof with respect to which this Lease has previously terminated) to Landlord. Tenant shall remove from the Property on or prior to such expiration or earlier termination the trade fixtures and personal property which are owned by Tenant, and Tenant at its expense shall, on or prior to such expiration or earlier termination, repair any damage caused by such removal. Trade fixtures and personal property not so removed at the end of the Term or within thirty (30) days after the earlier termination of the Term for any reason whatsoever shall become the property of Landlord, and Landlord may thereafter cause such property to be removed from the Property. The cost of removing and disposing of such property and repairing any damage to any of the Property caused by such removal shall be borne by Tenant. Landlord shall not in any manner or to any extent be obligated to reimburse Tenant for any property which becomes the property of Landlord as a result of such

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expiration or earlier termination. Notwithstanding the foregoing, in the event that Lender is entitled to take possession of the Property pursuant to the terms of the Loan Documents, then, upon written request from the Lender, Tenant shall peaceably leave and surrender the Property to the Lender or its agent or receiver, as applicable.

Section 20.02 Any holding over by Tenant of the Property after the expiration or earlier termination of the Term of this Lease or any extensions thereof, with the consent of Landlord, shall operate and be construed as a tenancy from month to month only, at the Rent reserved herein and otherwise upon the same terms and conditions as contained in this Lease. Notwithstanding the foregoing, any holding over without Landlord's consent shall entitle Landlord, in addition to collecting Rent at a rate of one hundred fifty percent (150%) thereof from and after the date of such holding over, to exercise all rights and remedies provided by law or in equity, including the remedies of Section 16.01.

ARTICLE 21
Space Leases

Tenant covenants and agrees to observe and perform all of the duties and obligations of the landlord/lessor to be observed and performed under Space Leases and to use Tenant's best efforts to enforce the conditions and obligations imposed on the tenants under the Space Leases to the extent prudent in the then current market. Subject to the terms of this Lease, during the Term, Tenant shall be entitled to all of the benefits of the "Landlord" under the Space Leases (whether the Space Leases are entered into by Landlord or Tenant), including, without limitation, the right to collect and use the rents under the Space Leases. Tenant shall not assign the right to receive any rental or other sums payable under the Space Leases or any other rights under the Space Leases, without the prior written consent of Landlord in each instance.

ARTICLE 22
Disposition Fee

Subject to the Loan Documents, upon the sale, transfer or other disposition of the Property, excluding a sale in foreclosure or a transfer to an LLC pursuant to Section 9.03(b) of the Trust Agreement, the Tenant shall be entitled to and shall receive a payment (a "**Disposition Fee**") equal to 1% of the of the gross sales price of the Property (or buyer's assumed fair market value of the Property, if consideration to the Landlord for the Property is not rendered in cash), in cash on the closing date of such sale, transfer or other disposition of the Property. The Disposition Fee is compensation for the agreement of the Tenant to assist the Landlord in disposing of the Property as the Landlord may reasonably request. Notwithstanding the foregoing, the Tenant shall not be entitled to the Disposition Fee if: (1) the gross sales price of the Property (which for the avoidance of doubt shall take into account any indebtedness assumed or paid off in connection with such sale), reduced by (2) expenditures made by the Landlord to pay off or cause the purchaser of the Property to assume the debt with respect to the Property, is less than $42,220,677. No Disposition

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Fee shall be due if the Lender terminates the Lease or if the Landlord terminates the Lease due to a default hereunder by the Tenant.

ARTICLE 23
Fee Mortgages; Subordination

Except pursuant to the Loan made by Lender to Landlord as of even date herewith, Tenant shall not mortgage, pledge or otherwise finance its interest in this Lease or the Property. Tenant acknowledges that Landlord may have entered into (or may in the future enter into) mortgage financings related to its ownership of the Property (and as part of such financings, Landlord may pledge its interests in this Lease and execute and/or deliver such other documents and instruments Landlord deems necessary and/or appropriate to consummate such transactions). This Lease is and shall be subject and subordinate to any and all fee mortgages now or hereafter in effect entered into by Landlord, it being understood and agreed that Tenant shall have no responsibility whatsoever under such financing arrangements and/or fee mortgages or to the holder of any such fee mortgages, except as may be otherwise agreed by Tenant in writing or pursuant to the Loan Documents. For the avoidance of doubt, Tenant agrees that this Lease shall be subject and subordinate at all times to the lien of the Loan Documents. Tenant acknowledges that, pursuant to the Loan Documents, Lender has the right to terminate this Lease. Except as provided in Section 3.01(a), Tenant shall not be required to make any payments nor shall Tenant be deemed to be either a borrower or guarantor under any financing transaction entered into by Landlord. Lender shall not have any liability under this Lease until it has record title to the Property or becomes a mortgagee in possession after which the Lender will only have liability for acts or omissions arising after such date.

ARTICLE 24
Property Manager

Subject to the terms of the Loan Documents, Tenant may appoint an affiliate or other third-party manager from time to time as the property manager or asset manager for the Property.

ARTICLE 25
Hazardous Substances

Section 25.01. Tenant agrees that it will not on, about, or under the Property, make, release, treat or dispose of any "hazardous substances" as that term is defined in the Comprehensive Environmental Response, Compensation and Liability Act, and the rules and regulations promulgated pursuant thereto, as from time to time amended, 42 U.S.C. § 9601 *et seq.* (the "**Act**"); but the foregoing shall not prevent the use of any hazardous substances in accordance with applicable Laws and regulations. Tenant represents and warrants that it will at all times comply with the Act and any other federal, state or local Laws, rules or regulations governing "Hazardous Materials." "**Hazardous Materials**" as used herein shall mean all chemicals, petroleum, crude oil or any fraction thereof, hydrocarbons, polychlorinated biphenyls (PCBs), asbestos, asbestos-containing materials and/or products, urea formaldehyde, or any substances which are classified as "hazardous" or "toxic" under the Act; hazardous waste as defined under the Solid Waste Disposal Act, as amended 42 U.S.C. § 6901 *et seq.;* air pollutants regulated under the Clean Air Act, as amended, 42 U.S.C. § 7401, *et seq.;* pollutants as defined under the Clean Water Act,

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as amended, 33 U.S.C. § 125 1, *et seq.*, any pesticide as defined by Federal Insecticide, Fungicide, and Rodenticide Act, as amended, 7 U.S.C. § 136, *et seq.*, any hazardous chemical substance or mixture or imminently hazardous substance or mixture regulated by the Toxic Substances Control Act, as amended, 15 U.S.C. § 2601, et Seq., any substance listed in the United States Department of Transportation Table at 45 CFR 172.101; any chemicals included in regulations promulgated under the above listed statutes; any explosives, radioactive material, and any chemical or other substance regulated by federal, state or local statutes similar to the federal statutes listed above and regulations promulgated under such federal, state or local statutes.

Section 25.02. To the extent required by the Act and/or any federal, state or local Laws, rules or regulations governing Hazardous Materials, Tenant shall remove any hazardous substances (as defined in the Act) and Hazardous Materials (as defined above) whether now or hereafter existing on the Property and whether or not arising out of or in any manner connected with Tenant's occupancy of the Property during the Term. In addition to, and without limiting Article 15 of this Lease, Tenant shall and hereby does agree to defend, indemnify and hold the Indemnified Parties harmless from and against any and all causes of actions, suits, demands or judgments of any nature whatsoever, losses, damages, penalties, expenses, fees, claims, costs (including response and remedial costs), and liabilities, including, but not limited to, reasonable attorneys' fees and costs of litigation, arising out of or in any manner connected with (i) the violation of any applicable federal, state or local environmental Law with respect to the Property or Tenant's or any other person's or entity's prior ownership of the Property; (ii) the "release" or "threatened release" of or failure to remove, as required by this Article 25, "hazardous substances" (as defined in the Act) and Hazardous Materials (as defined above) at or from the Property or any portion or portions thereof, including any past or current release and any release or threatened release during the Term whether or not arising out of or in any manner connected with Tenant's occupancy of the Property during the Term. The provisions of this Section 25.02 shall survive the expiration or earlier termination of this Lease as provided in Section 15.07.

Section 25.03. Tenant agrees that it will not install any underground storage tanks at the Property without specific, prior written approval from Landlord. Tenant agrees that it will not store combustible or flammable materials on the Property in violation of the Act or any other federal, state or local laws, rules or regulations governing Hazardous Materials.

ARTICLE 26
Miscellaneous

Section 26.01. Each covenant and agreement contained in this Lease shall be construed to be a separate and independent covenant and agreement, and the breach of any such covenant or agreement by Landlord shall not discharge or relieve Tenant from Tenant's obligation to observe and perform each and every covenant and agreement of this Lease to be observed and performed by Tenant. If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid and unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected, and each term and provision of this Lease shall be valid and enforceable to the maximum extent permitted by Law.

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Section 26.02. This Lease shall be construed and enforced in accordance with the internal laws of the State in which the Property is located without regard to principles of conflicts of laws.

Section 26.03. This Lease has been executed and delivered, for the convenience of Landlord and Tenant, in several counterparts, but it is intended that all counterparts shall constitute only one Lease. Facsimile signature pages shall be effective for purposes of this paragraph.

Section 26.04. This Lease may not be changed, modified or discharged except by a writing signed by the party against whom such change, modification or discharge is being brought.

Section 26.05. All covenants, conditions and obligations contained in this Lease shall be binding upon and inure to the benefit of the respective permitted successors and assigns of Landlord and Tenant to the same extent as if such permitted successor and assign were named as a party to this Lease.

Section 26.06. All notices, demands, requests, consents, approvals, offers, statements and other instruments or communications required or permitted to be given pursuant to the provisions of this Lease (collectively "**Notice**" or "**Notices**") shall be in writing and shall be deemed to have been given for all purposes (i) three (3) days after having been sent by United States mail, by registered or certified mail, return receipt requested, postage prepaid, addressed to the other party at its address as stated below, or (ii) one (1) day after having been sent by Federal Express, United Parcel or other nationally recognized air courier service.

To the Addresses stated below:

If to Landlord: Lansing MI Multifamily DST
c/o Lansing MI Multifamily Manager, LLC
520 West Erie Street, Suite 100
Chicago, IL, 60654

If to Tenant: Lansing MI Multifamily Master Tenant, LLC
520 West Erie Street, Suite 100
Chicago, IL, 60654

If any lender shall have advised Tenant by Notice in the manner aforesaid that it is the holder of a mortgage encumbering the Property and states in said Notice its address for the receipt of Notices, then simultaneously with the giving of any Notice by Tenant to Landlord, Tenant shall send a copy of such Notice to such lender in the manner aforesaid. For the avoidance of doubt, Tenant hereby acknowledges that Lender is the holder of a mortgage on the Property and hereby agrees to provide a copy of any such Notice to Lender. For the purposes of this Section 26.06, any party may substitute its address by giving fifteen (15) days' notice to the other party in the manner provided above. Any Notice may be given on behalf of any party by its counsel.

Section 26.07. The leasehold estate created by this Lease runs with the land, and shall be binding upon any future owner of the Property.

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Section 26.08. Landlord and Tenant hereby each waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Agreement, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Property, or any claim or injury or damage (to the extent such waiver is enforceable by law in such circumstance).

Section 26.09. Venue. Any controversy between the parties hereto arising out of or related to this Agreement shall be brought in the State or Federal courts located in Chicago, Illinois or in Ingham Country, Michigan.

Section 26.10. Time is of the essence of each and every provision of this Agreement.

Section 26.11. Notwithstanding anything to the contrary contained in this Lease or in any other agreement between Landlord and Tenant, at all times while any obligation remains outstanding under the Loan: (a) both Tenant and Landlord shall observe and perform their respective covenants set forth in the Loan Agreement made by and between Lender and Landlord with respect to the Loan (the "**Loan Agreement**") and the other Loan Documents; (b) Tenant shall execute such documents, instruments and agreements as Lender may require in connection with the Loan Documents, including as specifically provided for in the Loan Agreement; (c) Tenant shall not take, or fail to take, any action under this Lease which would result in a violation of Landlord's obligations under the Loan Documents; (d) in the event of any inconsistency or contradiction between the terms thereof and the terms of this Lease, the terms of the Loan Documents shall govern and control; and (e) no amendment, termination or other modification to this Lease may be made or shall be effective without the prior written consent of Lender.

Section 26.12. Tenant hereby grants a power of attorney to Landlord, which such power of attorney is hereby assigned to Lender, to permit Landlord (and Lender, on Landlord's behalf) to exercise the attorney in fact rights set forth in the Loan Agreement.

[SIGNATURE PAGES FOLLOW]

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SIGNATURE PAGE
TO THE
MASTER LEASE

LANDLORD:

LANSING MI MULTIFAMILY DST,
a Delaware statutory trust

By: **LANSING MI MULTIFAMILY MANAGER, LLC,**
a Delaware limited liability company

By: **TRILOGY REAL ESTATE GROUP, LLC,**
a Delaware limited liability company
its sole member

By: TREG Manager, LLC,
a Delaware limited liability company,
its Managing Member

By: _____
Name: Sonil S. Gehani
Title: Manager

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TENANT:

LANSING MI MULTIFAMILY MASTER TENANT, LLC,
a Delaware limited liability company

By: **TRILOGY REAL ESTATE GROUP, LLC,**
a Delaware limited liability company
its sole member

By: TREG Manager, LLC,
a Delaware limited liability company,
its Managing Member

By: _____
Name: Sonil S. Gehani
Title: Manager

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EXHIBIT A

LEGAL DESCRIPTION

Land Situated in the State of Michigan, County of Ingham, City of Lansing.

Parcel 1:

A parcel of land being part of Lots 1 and 2, Hospitality Motor Inns, a Subdivision being part of the Southwest 1/4 of Section 36, T4N, R2W, City of Lansing, Ingham County, Michigan, as recorded in Liber 29 of Plats, Pages 9-11, Ingham County Records, being described as: Commencing at the Northwest corner of said plat, also being the Northwest corner of said Lot 1; thence S86°09'45"E along the North line of said Lot 1 a distance of 794.19 feet to the Northeasterly line of said Lot 1; thence S44°58'35"E along said Northeasterly line 256.85 feet to the point of beginning of this description; thence continuing S44°58'35"E along said Northeasterly line 4.34 feet to the East line of said Lot 1; thence S01°32'07"E along said East line and along the East line of said Lot 2 a distance of 403.52 feet; thence N86°09'54"W parallel with the South line of said Lot 1 a distance of 314.67 feet to the East line of said Lot 1; thence S01°33'04"E along the East line of said Lot 1 a distance of 124.96 feet to the Southeast corner of said Lot 1; thence N86°07'51"W along the South line of said Lot 1 a distance of 602.03 feet; thence N01°32'07"W parallel with said East line of Lot 2 a distance of 466.52 feet; thence N88°27'53"E perpendicular to said East line of Lot 2 a distance of 542.31 feet; thence S01°32'07"E parallel with said East line of Lot 2 a distance of 21.04 feet; thence N88°27'53"E perpendicular to said East line of Lot 2 a distance of 367.31 feet to the point of beginning.

Parcel 2:

Together with non-exclusive easements as disclosed by Declaration of Easements dated March 26, 2019, recorded on April 29, 2019 in Instrument No. 2019-014555.

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EXHIBIT B

INSURANCE COVERAGES

Tenant shall, at Tenant's expense after the Tax and Insurance Escrow Funds have been utilized for payment of insurance premiums as provided in Section 7.04(c) (subject to Section 3.01(e) of the Lease), maintain, or cause to be maintained, in force and effect on the Property at all times while this Lease continues in effect the following insurance or, if different, such insurance as may be required by any lender that has made a loan to Landlord secured by the Property:

(a) Insurance against loss or damage to the Property by fire, windstorm, tornado and hail and against loss and damage by such other, further and additional risks as may be now or hereafter embraced by an "all-risk" form of insurance policy. The amount of such insurance shall be not less than one hundred percent (100%) of the full replacement (insurable) cost of the improvements, furniture, furnishings, fixtures, equipment and other items (whether personalty or fixtures) included in the Property and owned by Landlord from time to time, without reduction for depreciation. The determination of the replacement cost amount shall be Landlord's election, by reference to such indices, appraisals or information as Landlord determines in its reasonable discretion. Full replacement cost, as used herein, means, with respect to the Improvements, the cost of replacing the Improvements without regard to deduction for depreciation, exclusive of the cost of excavations, foundations and footings below the lowest basement floor, and means, with respect to such furniture, furnishings, fixtures, equipment and other items, the cost of replacing the same, in each case, with inflation guard coverage to reflect the effect of inflation, or annual valuation. Each policy or policies shall contain a replacement cost endorsement and either an agreed amount endorsement (to avoid the operation of any co-insurance provisions) or a waiver of any co-insurance provisions, all subject to Landlord's approval.

(b) Comprehensive Commercial General Liability Insurance for personal injury, bodily injury, death and property damage liability in amounts not less than $11,000,000 per occurrence and $12,000,000 in the aggregate (both inclusive of umbrella coverage). During any construction on the Property, Tenant's general contractor for such construction shall also provide the insurance required in this subsection (b). Landlord hereby retains the right to periodically review the amount of said liability insurance being maintained by Tenant and, not more than annually (unless an event occurs or a state of facts exists which, with the giving of notice and/or the passage of time, would constitute an Event of Default (such event or state of facts, a "**Default**") shall exist hereunder, in which case such limitation shall not apply), to require an increase in the amount of said liability insurance should Landlord deem an increase to be reasonably prudent under then existing circumstances.

(c) General boiler and machinery insurance coverage is required if steam boilers or other pressure-fired vessels are in operation at the Property. Minimum liability amount per accident shall be not less than the sum of the full replacement (insurable) cost of the improvements, furniture, furnishings, fixtures, equipment and other items (whether personalty or fixtures) included in the Property under section (a) above plus the loss of rents under section (f) below.

(d) If the Property is identified by the Secretary of Housing and Urban Development as being situated in an area now or subsequently designated as having special flood hazards

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(including, without limitation, those areas designated as Zone A or Zone V), flood insurance in an amount equal to the lesser of: (i) the minimum amount required, under the terms of coverage, to compensate for any damage or loss on a replacement basis (or the unpaid balance of the indebtedness secured hereby if replacement cost coverage is not available for the type of building insurance); or (ii) the maximum insurance available under the appropriate National Flood Insurance Administration program.

(e) During the period of any construction on the Property or renovation or alteration of the Improvements, a so-called "Builder's All-Risk Completed Value" or "Course of Construction" insurance policy in non-reporting form for any Improvements under construction, renovation or alteration, and construction operations liability insurance, in amounts approved by Landlord and Worker's Compensation Insurance covering all persons engaged in such construction, renovation or alteration.

(f) Loss of rents or loss of business income insurance in amounts sufficient to compensate Tenant for all Rents and Profits during a period of not less than twelve (12) months in which the Property may be damaged or destroyed. The amount of coverage shall be adjusted annually to reflect the Rents and Profits of income payable during the succeeding twelve (12) month period.

(g) Such other insurance on the Property or on any replacements or substitutions thereof or additions thereto as may from time to time be required by Landlord against other insurable hazards or casualties which at the time are commonly insured against in the case of property similarly situated including, without limitation, Sinkhole, Mine Subsidence, Earthquake and Environmental insurance, due regard being given to the height and type of buildings, their construction, location, use and occupancy.

All such insurance shall (i) be with insurers authorized to do business in the state within which the Property is located and which have and maintain a rating of at least "A-X" from A. M. Best, (ii) contain the complete address of the Property (or a complete legal description), (iii) be for terms of at least one year, (iv) contain deductibles which do not exceed $50,000 with respect to windstorm and hail coverage a deductible not to exceed five percent (5%) of the value of the improvements, unless higher deductibles are approved by Landlord, and (v) be subject to the reasonable approval of Landlord as to insurance companies, amounts, content, forms of policies, method by which premiums are paid and expiration dates.

Without limiting the required endorsements to the insurance policies, all such policies shall include a standard, non-contributory clause naming Landlord's lender (x) as an additional insured under all liability insurance policies (y) as the loss payee on all loss of rents or loss of business income insurance policies, and (z) as the mortgagee and loss payee on all property insurance policies. Tenant further agrees that all such insurance policies: (1) shall provide for at least thirty (30) days' prior written notice to Landlord and Landlord's lender prior to any cancellation or termination thereof and prior to any material modification thereof which affects the interest of Landlord; (2) with respect to the property and casualty coverages shall contain an endorsement or agreement by the insurer that any loss shall be payable to Landlord and Landlord's lender in accordance with the terms of such policy notwithstanding any act or negligence of Tenant which might otherwise result in forfeiture of such insurance; (3) with respect to the general liability

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coverage a severability of interests; (4) shall waive all rights of subrogation against Landlord and Landlord's lender; (5) in the event that the real estate or the improvements are "legal non-conforming" use under applicable building, zoning or land use laws or ordinances, shall include an ordinance or law coverage endorsement which will contain Coverage A: "Loss Due to Operation of Law" (with a minimum liability limit equal to replacement cost with agreed value endorsement), Coverage B: "Demolition Cost" and Coverage C: "Increased Cost of Construction" coverages; and (6) may be in the form of a blanket policy provided that, in the event that any such coverage is provided in the form of a blanket policy, Tenant hereby acknowledges and agrees that failure to pay any portion of the premium therefor which is not allocable to the Property or by any other action not relating to the Property which would otherwise permit the issuer thereof to cancel coverage thereof, would require the Property to be insured by a separate, single-property policy. The blanket policy must properly identify and fully protect the Property as if a separate policy were issued for 100% of replacement cost at the time of loss and otherwise meet all of Landlord's applicable insurance requirements.

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EXHIBIT C

RENT

Lease Year	Base Rent	Additional Rent Breakpoint	Additional Rent Cap	Bonus Rent Breakpoint	Bonus Rent Maximum Amount
1 (including initial stub period of the Term)	$1,544,783	$3,481,000	$5,485,901	$5,485,901	$0
2	$1,546,228	$3,724,000	$5,498,702	$5,498,702	$386,000
3	$1,551,737	$3,752,000	$5,516,251	$5,516,251	$528,000
4	$1,549,206	$3,806,000	$5,531,240	$5,531,240	$676,000
5	$1,550,739	$3,873,000	$5,669,521	$5,669,521	$693,000
6	$1,552,303	$3,925,000	$5,811,259	$5,811,259	$710,000
7	$1,557,933	$3,988,000	$5,625,622	$5,625,622	$1,092,000
8	$1,555,526	$4,064,000	$5,766,263	$5,766,263	$1,119,000
9	$1,557,186	$4,128,000	$5,910,419	$5,910,419	$1,147,000
10 (including additional 95 days of Term)	$1,558,879	$4,179,000	$5,701,816	$5,701,816	$1,568,000

To the extent the amount of the Base Rent set forth above for any Lease Year, or portion thereof, is in excess of the sum of the debt service and funding for the Lender-Mandated Reserves due to the Lender pursuant to the Loan Documents, such excess amount shall be paid directly to the Landlord. For the avoidance of doubt, the Tenant shall satisfy its obligations under Section 3.01(c) and 3.01(d) of this Lease as provided therein.

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EXHIBIT D[1]

MASTER LESSEE ESTOPPEL CERTIFICATE
(Delaware Statutory Trust)

[DATE]

PROPERTY NAME: _____

PROPERTY ADDRESS: _____
(include county) _____
_____
(the "**Property**")

MASTER LEASE DATE: _____

LESSOR: _____
(include address) _____
_____
("**Lessor**")

MASTER LESSEE: _____
(include address) _____
_____
("**Master Lessee**")

Master Lessee acknowledges that (a) _____, a _____ ("**Lender**") has agreed, subject to the satisfaction of certain terms and conditions, to make a loan (the "**Mortgage Loan**") to Lessor, which loan is or will be secured by a lien on the Property which is leased in its entirety by Master Lessee, and (b) Lender is requiring this Master Lessee Estoppel Certificate as a condition to its making the Mortgage Loan. Capitalized terms used but not defined herein shall have the meanings given to them in (i) that certain Subordination Agreement (DST Master Lease) dated as of the date hereof by and among Master Lessee, Lessor and Lender, or (ii) that certain Multifamily Loan and Security Agreement dated as of the date hereof by and between Lessor and Lender.

Master Lessee hereby certifies and confirms (except as set forth on Schedule I) to Lender and its transferees, successors and assigns, as follows:

1. A true, complete and correct copy of the master lease between Lessor and Master Lessee with respect to the Property, together with any other amendment, supplement, or agreement related thereto, is attached hereto as Exhibit A (collectively, the "**Master Lease**"). Other than as attached on Exhibit A, the Master Lease has not been modified, changed, altered, supplemented or amended in any respect. The Master Lease is valid and in full force and effect on the date hereof.

1 Fannie form of Estoppel Certificate

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The Master Lease represents the entire agreement between Lessor and Master Lessee with respect to the Property.

2. The Master Lease provides for an original term of _____ (___) years, commencing on _____ and expiring on _____.

3. The Master Lease does not contain any option or other right to extend for any additional term or terms.

4. Master Lessee has unconditionally accepted delivery of the Property pursuant to the terms of the Master Lease and is in full and complete possession of the Property. Master Lessee has commenced full occupancy and use of the Property and is operating the Property as a multifamily housing project.

5. The rent commencement date under the Master Lease is _____.

6. The rent and other charges payable in connection with the Master Lease are as follows:

(a) the fixed monthly rent of ($_____) has been paid through and including _____;

(b) no rent or other payment has been made in connection with the Master Lease for more than thirty (30) days in advance, and the Master Lease does not allow for the advance payment of rent;

(c) there is no "free rent", partial rent, or other rent concession or adjustments of any kind to which Master Lessee is entitled under the remaining term of the Master Lease;

(d) all payments due under the Master Lease are payable without notice or demand, and without setoff, recoupment, abatement, or reduction; **[and]**

(e) if applicable, all additional charges payable under the terms of the Master Lease have been paid through and including _____**[.][; and]**

(f) **[if applicable, the [Base Year] (as defined in the Master Lease) for the purposes of computing tax escalations or any additional charges is _____.]**

All required payments have been made prior to the date hereof and there are no amounts due and owing from Master Lessee to Lessor under the Master Lease.

7. A security deposit in the amount of ($_____) has been delivered to Lessor, which amount is not subject to any set-off or reduction or to any increase for interest or other credit payable to Master Lessee. In addition, if applicable, tenant improvement or similar

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funds have been delivered to Lessor in the amount of ($_____) and no additional funds are owed by Master Lessee.

8. Master Lessee has fully inspected the Property and found the same to be as required by the Master Lease in good order and repair.

9. Master Lessee has not assigned or sublet (other than with respect to resident Leases) and is now the sole owner of the interest or leasehold estate created by the Master Lease.

10. Master Lessee has not accepted, and does not expect to receive prepayment of, any Tenant Rents for more than two (2) months prior to the due dates of such Tenant Rents.

11. All obligations, commitments, deliveries, payments, repairs, build out allowances, inducements, and other sums and conditions under the Master Lease to be performed or paid to date by Lessor have been satisfied, free of defenses and set-offs including all construction work on the Property.

12. There is no existing default or unfulfilled obligations on the part of Master Lessee or Lessor in paying the amounts due, or in performing or observing any of the covenants or agreements contained in the Master Lease or other Master Lease Documents, and no event has occurred or condition exists that, with the passing of time or giving of notice or both, would constitute a default under the Master Lease or other Master Lease Documents.

13. Master Lessee claims no offsets, set-offs, rebates, adjustments, concessions, abatements or defenses against or with respect to rent, additional rent, security deposits or other sums payable under the terms of the Master Lease or the enforcement of any right or remedy of Lender or Lessor under the Master Lease, nor is Master Lessee aware of any such claims or defenses on the part of Lender or Lessor. Master Lessee agrees not to invoke any of its remedies under the Master Lease during the period in which Lender or Lessor is proceeding to cure any default on the part of Lessor under the Master Lease, as long as Lender or Lessor is acting with due diligence to cure the default.

14. Master Lessee has no option or right of first refusal or first offer to lease additional space or obligations to lease additional space at the Property.

15. Master Lessee has no right to terminate the Master Lease or other Master Lease Documents **[other than as follows:_____]**. Neither Master Lessee nor Lessor has commenced any action or given or received any notice for the purpose of terminating the Master Lease or other Master Lease Documents.

16. Master Lessee has no option or right of first refusal or first offer to purchase any ownership interest in Lessor.

17. No violation of any environmental law or regulation has occurred or currently exists with respect to the Property.

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18. There are no unpaid or outstanding claims, bills or invoices for any labor performed upon or materials furnished to either Master Lessee or the Property for which any lien or encumbrance including, without limitation, materialmen's, suppliers' or mechanics' liens, have been asserted or may be asserted against either Master Lessee or the Property. There are no materialmen's, suppliers' or mechanics' liens (whether filed or unfiled) outstanding for work or labor performed, or materials furnished to either Master Lessee or the Property.

19. There are no actions, voluntary or involuntary, pending against Master Lessee under the bankruptcy laws of the United States or equivalent laws for debtor relief of any state thereof.

20. There are no existing, pending or threatened claims, actions, lawsuits or proceedings affecting the Property, Master Lessee, or the Master Lease, or between Master Lessee and Lessor.

21. Master Lessee has all applicable permits, licenses, certificates of occupancy and other documentation required by the applicable governmental authorities in order to operate its business in full accordance with the law.

22. Master Lessee has received from Lessor and has reviewed a fully executed copy of the Loan Agreement and each of the other Loan Documents that sets forth all terms, conditions, provisions, requirements, representations, and affirmative and negative covenants of the Loan Documents relating to the use and operation of the Property.

23. Master Lessee has not executed any prior assignment of Leases or Rents except in favor of Lessor in connection with the Master Lease and the Mortgage Loan.

24. No right or claim of rescission, offset, abatement, diminution, defense, or counterclaim has been asserted with respect to the Master Lease, and there is no existing condition that, with the passage of time or giving of notice, or both, would result in a right or claim of rescission, offset, abatement, diminution, defense, or counterclaim under the terms and provisions of the Master Lease. Master Lessee has performed and discharged all of the obligations on the part of Master Lessee to be performed and discharged pursuant to the terms set forth in the Master Lease.

25. Master Lessee has not executed any instrument which would prevent Lessor from exercising its rights under the Master Lease or any other Master Lease Document.

26. Master Lessee has: (1) no knowledge of any basis for any additional assessments against all or any part of the Property; (2) no knowledge of any presently pending special assessments against all or any part of the Property, or any presently pending special assessments against Master Lessee; and (3) not received any written notice of any contemplated special assessment against all or any part of the Property, or any contemplated special assessment against Master Lessee.

27. All representations and warranties with respect to the Property and Master Lessee set forth in the Loan Documents are true and correct.

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28. Lender will rely on the representations and agreements made by Master Lessee herein in connection with Lender's agreement to make the Mortgage Loan and approve the Master Lease, and Master Lessee agrees that Lender may so rely on such representations and agreements.

29. Notices to Master Lessee should be sent to the address for Master Lessee listed on the first page of this Master Lessee Estoppel Certificate.

[Remainder of Page Intentionally Blank]

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IN WITNESS WHEREOF, the undersigned has signed and delivered this Master Lessee Estoppel Certificate under seal (where applicable) or has caused this Master Lessee Estoppel Certificate to be signed and delivered under seal (where applicable) by its duly authorized representative. Where applicable law so provides, the undersigned intend(s) that this Master Lessee Estoppel Certificate shall be deemed to be signed and delivered as a sealed instrument.

MASTER LESSEE:

By: _____(SEAL)
Name: _____
Title: _____

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SCHEDULE I

(Exceptions to Master Lessee Estoppel Certificate)

[IF NONE, SO STATE]

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EXHIBIT A

(Copy of Master Lease)

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EXHIBIT D

Opinion of Special Tax Counsel

[Attached]

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December 15, 2021

Lansing MI Multifamily DST
c/o Lansing MI Multifamily Manager, LLC
520 West Erie Street, Suite 100
Chicago, Illinois, 60654

Ladies and Gentlemen:

You have requested our opinion (the "Opinion") as to whether, for federal income tax purposes, an investor's acquisition of a beneficial interest in Lansing MI Multifamily DST (the "Trust"), a Delaware statutory trust described in Chapter 38 of Title 12 of the Delaware Code (the "Delaware Statutory Trust Act" or the "DSTA"), should be treated as an acquisition of a direct interest in the Real Estate (as defined below) for purposes of Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code").

Based on the relevant facts and applicable law and subject to the qualifications discussed below, we conclude that, for federal income tax purposes, the acquisition by an investor (an "Investor") of a beneficial interest in the Trust (an "Interest") should be treated as a direct acquisition of an ownership interest in the Real Estate by the Investor for purposes of Code Section 1031. In reaching this conclusion and in evaluating the issues related thereto, we have not taken into account the possibility that a tax return will not be audited or that an issue will not be raised on audit.

A tax opinion rendered at a "should" level of confidence such as this Opinion involves a greater degree of certainty than a "more likely than not" opinion, but it is not a "will" opinion nor any guarantee of tax consequences. There can be no assurance that the Internal Revenue Service (the "IRS") would agree with our conclusions, would not successfully challenge our conclusions upon audit, or would not prevail in their challenge if litigated.

In addition, qualification of a transaction pursuant to Code Section 1031 for an Investor involves issues based on numerous specific facts which are not and cannot be known to us; therefore, we give no opinion as to the ability of any Investor to effectuate a tax-deferred exchange of like-kind property under Code Section 1031. This Opinion addresses only one aspect of qualifying under Code Section 1031, *i.e.*, whether the acquisition of an Interest can be treated as a direct acquisition of an ownership interest in the Real Estate for purposes of Code Section 1031. We are not opining, among other things, as to whether some portion of the Real Estate may be "personal property" as opposed to "real property" for purposes of Code Section 1031. Finally, this Opinion does not address any state, local, or non-United States income tax consequences, or any non-income tax consequences, of the transactions described herein.

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In giving this Opinion, we have reviewed the following:

(i) the Amended and Restated Trust Agreement of the Trust (the "Trust Agreement"), among Corporation Trust Company, as Delaware trustee (the "Delaware Trustee"), Lansing MI Multifamily Manager, LLC, an affiliate of Trilogy Real Estate Group, LLC (the "Sponsor"), as administrative trustee (the "Administrative Trustee"), Steven P. Zimmer, as independent trustee (collectively with the Delaware Trustee and the Administrative Trustee, the "Trustees"), Lansing MI Multifamily Depositor, LLC, an affiliate of the Sponsor (the "Depositor"), and the Investors;

(ii) the Purchase and Sale Agreement between TREG Acquisitions, LLC, as buyer, and WP Lansing–MI Owner, LLC, a Delaware limited liability company that is a third party unaffiliated with the Sponsor, as seller, and the Assignment and Assumption of Purchase and Sale Agreement between TREG Acquisitions, LLC, as assignor, and the Trust, as assignee, pursuant to which the Trust acquired the land and improvements referred to as "Volaris Lansing Apartments" and located at 4540 Collins Rd, Lansing, MI 48910 (the "Real Estate");

(iii) the Loan Documents (as defined below) with respect to the Loan (as defined below);

(iv) the Master Lease (the "Master Lease") between the Trust, as master landlord, and Lansing MI Multifamily Master Tenant, LLC, an affiliate of the Sponsor, as master tenant (the "Master Tenant"). The Master Tenant will sublease the Real Estate to various residential subtenants (the "Subleases");

(v) the Property Management Agreement (the "Property Management Agreement") between the Master Tenant and Trilogy Residential Management, LLC, an affiliate of the Sponsor (the "Property Manager") to manage and operate the Real Estate;

(vi) the Private Placement Memorandum with respect to the Interests dated December 15, 2021 (the "Private Placement Memorandum") (items (i) through (vi) are collectively referred to as the "Transaction Documents");

(vii) applicable provisions of the Code, final, temporary, and proposed Treasury Regulations promulgated thereunder, judicial decisions, Revenue Rulings, and other interpretative releases of the IRS; and

(viii) such other materials and documents as we considered relevant.

Our Opinion is expressly based upon the following representations from the Sponsor: (i) there are no written or oral agreements other than the Transaction Documents or understandings inconsistent with or significant to the transactions contemplated herein, and any final Transaction Documents that were not final as of the date of our review will conform with the Transaction Document drafts we have reviewed in all material respects; (ii) all payments made to the Trust, the Trustees, the Property Manager, and their affiliates will be at fair market value; (iii) the Rent (as defined in the

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Master Lease) payable under the Master Lease constitutes fair market value rent for the Real Estate over the term of the Master Lease; (iv) there is a reasonable possibility that the Bonus Rent Cap (as defined below) under the Master Lease will limit the amount of Rent that the Master Tenant will pay to the Trust by a not insignificant amount each year during the term of the Master Lease; (v) the Trust has made a substantial equity investment in the Real Estate, reasonably expects the Real Estate to have a substantial remaining economic useful life and residual value at the end of the Master Lease term, and reasonably expects to realize a substantial economic profit from the Master Lease and subsequent further leasing and/or disposition of the Real Estate apart from the value of tax benefits and net of any Disposition Fee (as defined below) payable to the Master Tenant; (vi) the Master Tenant is reasonably capitalized, is acting as a principal for its own account and may reasonably be expected to realize a commercially reasonable profit from its lease and sublease of the Real Estate; (vii) the Trust and Master Tenant intend that the Master Lease constitute a true lease and not a partnership, a joint venture, or a management, agency or nominee agreement; (viii) neither the Trust nor any Trustee, employee, agent or independent contractor of the Trust will provide any services to the Master Tenant or any subtenant; (ix) the Lender (as defined below) is not related to any Investor or any Trustee; (x) none of the Sponsor, the Trust, the Master Tenant, the Property Manager or any affiliate of any thereof has loaned or will loan to any Investor any of the funds necessary to acquire his, her or its Interest in the Trust or has guaranteed or will guarantee any indebtedness incurred by any Investor to acquire his, her or its Interest in the Trust; (xi) none of the Master Tenant, any subtenants, or any party related to any thereof holds any option to acquire any of the Real Estate; (xii) neither the Trust nor the Trustees has entered into or will enter into any agreement or understanding with any beneficiary of the Trust creating an agency or nominee relationship and neither the Trust nor the Trustees has been or will be represented as an agent or nominee of any beneficiary of the Trust in dealings with third parties; (xiii) the Trust has not opted-out and will not opt-out of its status as a separate legal entity pursuant to Section 3810(a)(2) of the Delaware Statutory Trust Act; and (xiv) the Administrative Trustee will elect to be treated as a corporation for federal income tax purposes.

In addition, in rendering this Opinion, we have, with your permission, assumed that: (i) the Interests will be acquired by the Investors directly from the Trust and the Depositor's interest in the Trust will be reduced in proportion to the amount of such acquisitions; (ii) none of the Depositor, the Trust, the Trustees, any Investor or any party related to any of the foregoing has made or will make an election, or has taken or will take any other action, that would cause the Trust to be classified as an association taxable as a corporation or a partnership for federal income tax purposes; (iii) the Transaction Documents (without modification) are properly executed and delivered, and are enforceable in accordance with their terms; (iv) all parties to the Transaction Documents will comply with all provisions of the Transaction Documents, and will take no action inconsistent with the Transaction Documents or any terms of this Opinion; (v) all transactions described in the Private Placement Memorandum will occur as described in the Private Placement Memorandum; and (vi) neither the exchanged property nor the replacement property in any Code Section 1031 exchange involving the Trust is, or at any relevant time has been or will be, tax-exempt use property within the meaning of Code Section 470(e)(4)(A). We have further assumed the accuracy and completeness of all documents and records that we have reviewed, the genuineness of all signatures, the authenticity of the documents submitted to us as originals, and

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the conformity to authentic original documents of all documents submitted to us as pro forma or reproduced copies.

Capitalized terms which are not herein defined have the meanings ascribed to them in the Transaction Documents.

DELAWARE STATUTORY TRUST ACT

The Delaware Statutory Trust Act provides rules for trusts formed thereunder ("Delaware Statutory Trusts"). A Delaware Statutory Trust is an unincorporated association which is created by a trust agreement or other governing instrument under which property is or will be held, managed, administered, controlled, invested, reinvested and/or operated, or business or professional activities for profit are carried on or will be carried on, by a trustee or trustees or as otherwise provided in the governing instrument for the benefit of such person or persons as are or may become beneficial owners or as otherwise provided in the governing instrument. DSTA Section 3801(g).

A Delaware Statutory Trust is required to file a certificate of trust in the office of the Secretary of State of the State of Delaware. DSTA Section 3810(a)(1). Unless otherwise provided in its certificate of trust and in its governing instrument, a Delaware Statutory Trust is a separate legal entity. DSTA Section 3810(a)(2). Except in the case of a Delaware Statutory Trust that is a registered investment company under the Investment Company Act of 1940, as amended, a Delaware Statutory Trust shall at all times have at least one trustee which, in the case of a natural person, shall be a person who is a Delaware resident or which, in all other cases, has its principal place of business in Delaware. DSTA Section 3807(a), (b). A Delaware Statutory Trust may sue and be sued, and the property of a Delaware Statutory Trust is subject to attachment and execution as if it were a corporation. DSTA Section 3804(a). Except to the extent otherwise provided in the governing instrument of a Delaware Statutory Trust, the beneficial owners shall be entitled to the same limitation of personal liability extended to stockholders of Delaware corporations. DSTA Section 3803(a).

Except to the extent otherwise provided in the governing instrument of a Delaware Statutory Trust, a beneficial owner shall have an undivided beneficial interest in the property of the Delaware Statutory Trust and shall share in the profits and losses of the Delaware Statutory Trust in the proportion (expressed as a percentage) of the entire undivided beneficial interest in the Delaware Statutory Trust owned by such beneficial owner. DSTA Section 3805(a). No creditor of the beneficial owner shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of the Delaware Statutory Trust. DSTA Section 3805(b). No creditor of the trustee shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of the Delaware Statutory Trust with respect to any claim against, or obligation of, such trustee in its individual capacity and not related to the Delaware Statutory Trust. DSTA Section 3805(g). Except to the extent otherwise provided in the governing instrument of a Delaware Statutory Trust, the death, incapacity, dissolution, termination, or bankruptcy of a beneficial owner or a trustee shall not result in the termination or dissolution of a Delaware Statutory Trust. DSTA Section 3808(b). Except to the

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extent otherwise provided in the governing instrument of a Delaware Statutory Trust, a Delaware Statutory Trust may acquire, by purchase, redemption, or otherwise, any beneficial interest in the Delaware Statutory Trust held by a beneficial owner of the Delaware Statutory Trust. DSTA Section 3818.

Pursuant to an agreement of merger or consolidation, a Delaware Statutory Trust may merge or consolidate with or into one or more Delaware Statutory Trusts or other business entities formed or organized or existing under the laws of the State of Delaware or any other State or the United States or any foreign country or other foreign jurisdiction, with such Delaware Statutory Trust or other business entity as the agreement shall provide being the surviving or resulting Delaware Statutory Trust or other business entity. DSTA Section 3815(a). If the governing instrument of a Delaware Statutory Trust specifies the manner of authorizing a conversion of the Delaware Statutory Trust to another business entity, the conversion shall be authorized as specified in the governing instrument. DSTA Section 3821(a), (b).

RELEVANT PROVISIONS IN THE TRANSACTION DOCUMENTS

A. Trust Agreement

Article I provides in part that all interests in the Trust shall be of a single class.

Section 2.03 provides that the purposes of the Trust are to engage in the following activities: (i) to acquire and own the Real Estate and any related personal property; (ii) to enter into or assume and comply with the terms of the Transaction Documents; (iii) to conserve, protect, manage and dispose of the Real Estate; and (iv) to take such other actions as the Trustees deem necessary or advisable to carry out the foregoing. Section 2.03 also provides that the Trust shall hold its property (the "Trust Property") for investment purposes and only engage in activities which are customary services in connection with the maintenance and repair of the Real Estate Section 2.03 also provides that (a) neither the Administrative Trustee, the Investors, nor their agents shall provide services (1) that are not "customary services" within the meaning of Revenue Ruling 75-374, 1975-2 C.B. 261, (2) the payment for which would not qualify as "rents from real property" within the meaning of Code Section 512(b)(3)(A)(i) and the Regulations thereunder, or (3) the payment for which would not qualify as "rents from real property" within the meaning of Code Sections 856(c)(2)(C) and 856(c)(3)(A) and the Regulations thereunder; and (b) the Trust shall conduct no activities other than as specifically provided in Section 2.03.

Section 2.04 states that the Trustees will hold the Trust Property upon the terms and conditions in the Trust Agreement for the benefit of the Investors, subject to the obligations of the Trust under the Master Lease, the Loan Documents and other relevant agreements. Section 2.04 further states that it is the intention of the parties to the Trust Agreement that the Trust constitute a "statutory trust" within the meaning of the Delaware Statutory Trust Act, and that the Trust shall not constitute an agency, partnership, corporation, association or business trust for federal income tax purposes. Instead, each Investor shall be treated for federal income tax purposes as the owner of a direct ownership interest in the Trust Property and each Investor agrees to report its Interest in

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the Trust in a manner consistent with the foregoing and otherwise not to take any action that would be inconsistent with the foregoing.

Section 2.05(c)(iii) prohibits the Trust and the Trustees from performing any act in contravention of, or constituting an event of default under, the Loan Documents. Section 2.05(d)(ii) requires the Trustees to prepare separate financial statements and file tax returns for the Trust.

Section 3.01 provides that any proposed assignment, pledge, encumbrance or transfer by the Investors of part or all of their Interest is subject to the prior consent of the Administrative Trustee and satisfaction of certain preconditions set forth in the Trust Agreement.

Article IV requires Administrative Trustee to distribute all available cash to the Investors in accordance with their Percentages on a monthly basis, after paying or reimbursing the Trustees for any fees or expenses paid or incurred by the Trustees on behalf of the Trust, paying debt service on the Loan and related expenses and retaining such additional amounts as are necessary to pay anticipated ordinary current and future Trust expenses. Amounts of cash retained shall only be invested 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 company having a minimum stated capital. All such obligations must mature prior to the next distribution date, and be held to maturity.

Section 5.01(a) states that the Trust Agreement shall not be interpreted to impose a partnership or joint venture relationship on the Investors either at law or in equity, and no Investor shall have any liability for the debts or obligations incurred by any other Investor, with respect to the Trust Property, or otherwise, and no Investor shall have any authority, other than as specifically provided in the Trust Agreement, to act on behalf of any other Investor or to impose any obligation with respect to the Trust Property.

Section 5.01(c) provides that at such time as there is more than one (1) owner of the Trust, the Trust shall not constitute a business entity for federal income tax purposes, but shall instead constitute an investment trust pursuant to Treasury Regulation Section 301.7701-4(c); and a Grantor Trust under Subpart E of Part 1, Subchapter J of the Code (Code Sections 671 and following).

Section 5.01(d) provides that legal title to the Trust Property, including the Real Estate, shall be held by the Trust. Neither the bankruptcy, death or other incapacity of any Investor nor the transfer, by operation of law or otherwise, of any right, title or interest of the Investors in and to the Trust Property shall terminate the Trust Agreement. In addition, Section 5.01(d) provides that, except as expressly set forth in the Trust Agreement, the Investors shall not be liable for any liabilities or obligations of the Trust or the Trustees or for the performance of the Trust Agreement.

Section 5.02 provides that the Investors do not have the right to demand or receive an in-kind distribution of Trust Property from the Trust.

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Section 5.03 provides that, except solely with respect to the selection of replacement Trustees in certain circumstances, the Investors shall have no right to make decisions for, or to operate or manage, the Trust.

Section 6.04 provides that the Administrative Trustee shall manage, control, dispose of or otherwise deal with the Trust Property consistent with its duties to conserve and protect the Trust Property, subject to any restrictions required by the Loan Documents, or otherwise provided in the Trust Agreement.

Section 7.02 authorizes and directs the Administrative Trustee to take, or cause the Trust to take, any and all necessary actions to conserve and protect the Trust Property, including, but not limited to: (a) acquiring, owning, conserving, protecting, operating and selling the Trust Property; (b) entering into and/or assuming and complying with the terms of the Master Lease, the Loan Documents and any other Transaction Documents; (c) collecting rents and making distributions to the Investors; (d) entering into any agreement for purposes of completing tax-free exchanges of real property for Investors with each such Investor's "qualified intermediary" as defined in Section 1031 of the Code and the Treasury Regulations thereunder; (e) notifying the relevant parties of any default by them under the Transaction Documents; (f) solely to the extent necessitated by the bankruptcy or insolvency of a tenant, renegotiating the Master Lease or entering into a new lease with respect to the Real Estate or negotiating or financing any debt secured by the Real Estate; (g) notifying the Lender of any default under the Trust Agreement; and (h) taking any action which, in the reasoned opinion of tax counsel to the Trust, should not have an adverse effect on the treatment of the Trust as an "investment trust" within the meaning of Treasury Regulation Section 301.7701-4(c).

Section 7.03 prohibits the Administrative Trustee from taking any of the following actions, if the exercise of such action or actions would constitute a power under the Trust Agreement to "vary the investment of the certificate holders" as defined by Treasury Regulation Section 301.7701-4(c)(1): (a) reinvest any monies of the Trust, except in accordance with Section 4.02 of the Trust Agreement; (b) renegotiate the terms of the Loan, enter into new mortgage financing, renegotiate the Master Lease or enter into new leases except in the case of Master Tenant's bankruptcy or insolvency; (c) make other than minor non-structural modifications to the Real Estate, other than as required by law; (d) accept any capital from the Investors or new investors except as provided for in the Private Placement Memorandum; or (e) take any other action that, in the reasoned opinion of tax counsel to the Trust, should be expected to cause the Trust to be treated as a "business entity" for federal income tax purposes.

Section 9.01 provides that the Trust shall dissolve and wind up in accordance with Section 3808 of the Delaware Statutory Trust Act and each Investor's share of the Trust Property shall be distributed to the Investors, at the earlier of: (a) December 31, 2070; or (b) the sale or other disposition of the Real Estate; provided, however, that no such dissolution or winding up will occur so long as any obligation evidenced or secured by any of the Loan Documents remains outstanding and not discharged in full.

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Section 9.02 provides that, notwithstanding Section 9.01, if: (1) (a) (i) the Trust Property is in jeopardy of being foreclosed upon due to a default on the Loan; (ii) the Trust Property or any portion thereof is subject to a casualty, condemnation or similar event that is not adequately compensated for through insurance or otherwise sufficient to permit restoration of the Trust Property to the same condition as previously existed; or (iii) the Administrative Trustee determines that the Investors are at risk of losing all or a substantial portion of their investment in the Interests, and (b) the Administrative Trustee is prohibited from taking actions to cure or mitigate the event(s) described in clauses (i), (ii) or (iii) by reason of the restrictions set forth in Section 7.03 of the Trust Agreement, or (2) the Administrative Trustee is required to do so pursuant to the Loan Documents, then the Administrative Trustee shall terminate the Trust pursuant to Section 9.03.

Section 9.03 provides that (a) if any obligation evidenced or secured by the Loan Documents remains outstanding and has not been satisfied in full at the time the Trust is to be terminated pursuant to Section 9.02, and the Loan Documents prohibit a direct distribution of the Trust Property to the Investors, then the Administrative Trustee will terminate the Trust by converting it into (or otherwise effecting the transfer of the Trust Property to) a Delaware limited liability company (the "LLC"), which LLC shall acquire, by operation of law, contract, or otherwise, the Trust Property subject to the then-outstanding obligations of the Trust under the Loan Documents and the Master Lease, and which LLC shall assume, by operation of law, contract, or otherwise, the Trust's obligations under the Loan Documents and the Master Lease, converting or exchanging the Interests of the Investors in the Trust for equivalent membership interests in the LLC, and causing itself to be designated as the manager of the LLC (a "Transfer Distribution"), or (b) if no obligation evidenced or secured by the Loan Documents remains outstanding and all such obligations have been satisfied in full at the time the Trust is to be terminated pursuant to Section 9.02, or if the Loan Documents do not prohibit a direct distribution of the Trust Property to the Investors, then the Administrative Trustee may in its sole discretion terminate the Trust in accordance with Section 9.02 by either (i) causing a Transfer Distribution, or (ii) terminate the Trust by distributing tenant-in-common interests in the Trust Property to the Investors in proportion to their ownership of the Trust, which interests (and the Investors) would be subject to an agency and/or co-ownership arrangement and other agreements that are in form and substance satisfactory to the Administrative Trustee as determined in its discretion and materially consistent with the terms and conditions set forth in Rev. Proc. 2002-22 or such other Internal Revenue Service guidance as may apply to the treatment of tenancy-in-common arrangements as direct interests in the Real Estate for purposes of Code Section 1031.

B. Master Lease

Section 2.01 provides that the Original Term of the Master Lease (as defined therein) continues for ten (10) years and ninety-five (95) days from the date of its inception, provided however that (a) the Master Lease shall automatically terminate upon the sale of the Real Estate, and (b) pursuant to Section 16.01, the Trust may terminate the Master Lease in the event of an uncured default by the Master Tenant.

Section 3.01(b) and Exhibit C provide that the amount of rent payable for a year (the "Rent") is equal to: (i) a base amount (the "Base Rent") equal to scheduled debt service of the Trust; and (ii)

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an additional amount (the "Additional Rent") equal to 100% of the Master Tenant's gross revenue from the Trust Property between a specifically stated floor and a specifically stated ceiling (the "Additional Rent Ceiling"); and (iii) an additional amount (the "Bonus Rent") equal to 90% of the Master Tenant's gross revenue from the Trust Property between the Additional Rent Ceiling and a specifically stated ceiling (the "Bonus Rent Cap").

Section 3.01(e) provides that the Master Tenant will pay, on behalf of the Trust, the "Uncontrollable Expenses" (*i.e.*, costs relating to real estate taxes, Insurance Costs, and the Cost of Utilities (as those terms are defined in the Master Lease)) for each year of the Master Lease. Nevertheless, Section 3.01(e) provides that the Master Tenant is only financially responsible for the Uncontrollable Expenses for each year up to a specified amount (the "Projected Uncontrollable Expenses"). To the extent the Uncontrollable Expenses for a year exceed the Projected Uncontrollable Expenses, the excess reduces the amount of Additional Rent and/or Bonus Rent that the Master Tenant is required to pay under the Master Lease, and to the extent the Projected Uncontrollable Expenses are greater than the actual Uncontrollable Expenses, the difference will be paid by the Master Tenant to the Trust as additional Rent.

Section 3.08 provides that the Trust and the Master Tenant agree that the Master Lease is a "true lease" and not a financing arrangement, partnership, joint venture, management or other arrangement, and that the parties will reflect the transactions embodied in the Master Lease in a manner consistent with "true lease" treatment rather than "financing," "partnership" or "management" treatment.

Sections 4.02 and 4.03 provide that the Master Tenant is required to maintain insurance with respect to the Trust Property, including but not limited to casualty and business interruption insurance in respect of the Trust Property.

Section 7.01 provides that the Master Tenant is responsible for all "Operating Costs" (as such term is defined in the Master Lease), and is also responsible to take good care, including paying all costs and expenses required therefor, 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.

Section 7.02 provides that the Trust is responsible for all "Capital Expenses," which means the costs and expenses incurred in connection with major repairs, replacements, and improvements relating to the structural elements of the Trust Property which are not Operating Costs and would be capitalized under generally accepted accounting principles.

Section 7.04 provides that if the Master Tenant uses any "Reserve Accounts" (as such term is defined in the Master Lease) established for the benefit of the Trust to pay any obligations of the Master Tenant, then the Master Tenant must reimburse such amounts plus interest on or before the expiration or termination of the Master Lease. Section 7.04 further provides that if the Master Tenant bears an expense that is an obligation of the Trust under the Master Lease, the Master Tenant may reduce Additional Rent or Bonus Rent in order to recover such advances plus interest

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and that any unreimbursed advances and/or interest is required to be repaid to the Master Tenant out of the proceeds of the sale or exchange of the Real Estate (if not fully reimbursed by the time of such sale).

Section 8.01 provides that the Master Tenant may make alterations to (but not additions to, removals of or substitutions for) the Real Estate with the Trust's prior written consent, provided that certain other conditions are met.

Section 13.01 provides that the Master Tenant may not assign its interest in the Master Lease without the consent of the Trust. Section 13.01 further provides that the Master Tenant may enter into subleases of the Trust Property with subtenants.

Section 16.01 provides that if any "Event of Default" occurs, the Trust can give notice of such default and terminate the Master Lease (or take possession of the Trust Property without terminating the Master Lease) after giving notice. Section 16.01 generally defines "Event of Default" to include, among other things: (a) (i) the failure by the Master Tenant to pay Rent, Operating Costs, or Impositions as and when the same shall become due and payable, which failure is not cured within ten (10) days after notice or (ii) the failure to pay any other amounts payable under the Master Lease as and when the same shall become due and payable or the default in any other manner curable by the payment of money; (b) the failure to comply with the other terms of the Master Lease (other than any default curable by payment of money), which such failure is not cured within thirty (30) days after notice (or longer if the Master Tenant diligently undertakes efforts to cure such Default); (c) the filing by the Master Tenant of a voluntary bankruptcy petition or the adjudication of the Master Tenant as a bankrupt or insolvent (including any petition or answer seeking any reorganization, composition, readjustment or similar relief); (d) the filing of an involuntary petition in bankruptcy against the Master Tenant or the commencement of any proceeding against the Master Tenant seeking any reorganization, composition, readjustment or similar relief under any law if not dismissed within ninety (90) days; (e) a prohibited assignment, pledge or encumbrance of any rental or other sum payable under a sublease other than, at the Trust's request, to the Lender; (f) a prohibited mortgaging, pledge or encumbrance of the Master Tenant's interest in the Master Lease; (g) any representation or warranty of the Master Tenant is incorrect or misleading in any material respect; (h) if the performance by the Master Tenant of any material obligation becomes unlawful; (i) the termination or liquidation of the Master Tenant; (j) the failure by the Master Tenant to deliver possession of the Real Estate at the end of the term of the Master Lease; or (k) an action or omission of the Master Tenant resulting in a breach of any indenture, deed of trust, mortgage or other instrument (beyond any applicable notice and cure periods) to which the Trust or the Master Tenant is a party or to which the Real Estate is bound or may be affected.

Article 22 provides that upon the sale, transfer, or other disposition of the Trust Property, other than a sale in foreclosure or a Transfer Distribution, the Master Tenant is entitled to a disposition fee (the "Disposition Fee") equal to 1% of the gross sales price of the Trust Property. Article 22 further provides that notwithstanding the foregoing, the Master Tenant shall not be entitled to the Disposition Fee if: (1) the gross sales price of the Real Estate (which for the avoidance of doubt shall take into account any indebtedness assumed or paid off in connection with such sale), reduced

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by (2) expenditures made by the Trust to pay off or cause the purchaser of the Real Estate to assume any indebtedness with respect to the Real Estate is less than the Maximum Offering Amount as defined in the Private Placement Memorandum, as supplemented. Article 22 further provides that the Disposition Fee is compensation for the agreement of the Master Tenant to assist the Trust in disposing of the Real Estate as the Trust may reasonably request.

As security for the performance of its obligations to the Trust under the Master Lease, the Master Tenant has (1) assigned to the Trust any interest the Master Tenant has in all Subleases and Sublease rents and has granted to the Trust a security interest in certain UCC collateral pursuant to a Property Level Assignment of Leases and Rents dated as of December 2, 2021 made by the Master Tenant in favor of the Trust (the "Assignment of Subleases") and (2) assigned to the Trust all of the Master Tenant's right, title and interest in, to and under the Property Management Agreement pursuant to an Assignment of Management Agreement dated as of December 2, 2021 by and among the Trust, the Master Tenant, the Property Manager and the Lender (the "Management Agreement Assignment"). In addition, the Master Tenant represents to the Trust under the Assignment of Subleases that all representations with respect to the Real Estate and the Master Tenant set forth in the Loan Documents are true and correct, and agrees with the Trust to comply with covenants set forth in the Loan Documents with respect to the operation of the Real Estate and with all covenants set forth in the Subordination Agreement dated as of December 2, 2021 by and among the Trust, the Master Tenant and the Lender (the "Subordination Agreement"), including lockbox requirements set forth therein.

C. Property Management Agreement

The Master Tenant has entered into the Property Management Agreement with the Property Manager, which is an affiliate of the Sponsor.

Section 2 provides that the Master Tenant appoints the Manager as the exclusive leasing and managing agent of the Real Estate and that it is the intent of the parties that the Property Manager act as an independent contractor. Section 2 further provides that nothing contained in the Property Management Agreement shall be deemed to create an employer/employee, partnership, joint venture or other relationship between Master Tenant and the Property Manager.

Section 3 provides that the initial term of the Property Management Agreement is six months, but the term will renew on a month-to-month basis until it is terminated by either party (1) by providing the other party with 60 days prior written notice or (2) on the closing date of a sale of the Real Estate to an unaffiliated third party by providing the other party with 30 days' prior written notice thereof.

Section 4 provides that the Property Manager's duties include, but are not limited to: (a) preparing and submitting to the Master Tenant a proposed operating budget for the Real Estate on later than 45 days prior to the beginning of each calendar year; (b) maximizing occupancy at the Real Estate; (c) collecting all rents and other income payable with respect to the Real Estate; and (d) contracting for electricity, gas, steam, water, telephone, window cleaning, pest control, and such other services as shall be customary and advisable for the proper operation of the Real Estate.

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Section 6 provides that the Master Tenant will pay a monthly base fee equal to 4% of Gross Collections (the "Management Fee") and a close-out management fee payable after at the termination of the Property Management Agreement equal to 50% of the final month's Management Fee (the "Close-Out Management Fee" and, together with the Management Fee, the "Property Management Fees"). Gross Collections is defined to include all amounts actually collected in respect of the Real Estate, including rents, laundry room income, late charges, NSF charges, and utility payments, but to exclude deposit forfeitures collected for damages and security and other deposits received from tenants at the Real Estate that have not been forfeited. The Master Tenant will also reimburse the Property Manager for all operating expenses and direct costs associated with onsite operation of the Real Estate, including project-level accounting and data processing expense, software licensing, training for project staff, travel, long distance charges, postage, delivery charges, and copy charges related to operation of the Real Estate.

Section 11 provides that if either party defaults in performance of any of its obligations under the Property Management Agreement, then the other party may terminate the Property Management Agreement following the applicable cure period by providing written notice to the defaulting party. The applicable cure period is 10 days, in the case of monetary defaults, and 30 days, in the case of non-monetary defaults, after written notice thereof.

D. The Loan Documents

Lender loaned $43,878,000 to the Trust (the "Loan") pursuant to a Multifamily Loan and Security Agreement by and between the Trust, as borrower, and CBRE Multifamily Capital, Inc., as lender (the "Lender"), pursuant to the Federal National Mortgage Association Delegated Underwriting and Service loan program, dated as of December 2, 2021 (the "Loan Agreement"). The Loan is evidenced by a Multifamily Note dated December 2, 2021 (the "Note"), bears interest at the rate of 3.31% per annum and has a stated term of 10 years with no renewal options. The Loan is secured by a Multifamily Mortgage (the "Security Instrument") pursuant to which the Trust grants to the Lender a security interest in the Real Estate and assigns to the Lender the Trust's interest in the Master Lease and the Subordination Agreement as security for repayment of the Loan. The Trust also assigns to the Lender its interest in the Subleases, the Sublease rents and the UCC collateral under the Assignment of Subleases as further security for repayment of the Loan. In addition, the Trust assigns to the Lender all of the Trust's right, title and interest in, to and under the Property Management Agreement pursuant to the Management Agreement Assignment, and the Trust enters into an Environmental Indemnity Agreement in favor of the Lender (the "Environmental Indemnity"). The Loan is a nonrecourse obligation of the Trust. The initial Lender expects to sell the Loan to the Federal National Mortgage Association (Fannie Mae) shortly after Closing.

The Trust makes various representations to the Lender under the Loan Agreement, including as to the single asset status of the Trust and the Master Tenant, and makes various covenants in favor of the Lender, including as to the management, operation and maintenance of the Real Estate during the term of the Loan. The Loan Agreement provides that any representation, covenant or other requirement of the Trust under the Loan Documents is to be interpreted as requiring the Trust either to perform the relevant act directly or to cause the Master Tenant or the Property Manager to perform the act. The Trust agrees in the Loan Agreement that it has and shall require and direct

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the Master Tenant to comply with operating covenants with respect to the Real Estate set forth in the Loan Documents. Pursuant to the Management Agreement Assignment, the Trust, the Master Tenant and the Property Manager make specified covenants in favor of the Lender, including not to amend the Management Agreement without the consent of the Lender and to subordinate the payment of Property Management Fees to payment of the Loan. Pursuant to the Subordination Agreement (the Loan Agreement, the Note, the Security Instrument, the Environmental Indemnity, the Management Agreement Assignment and the Subordination Agreement are, collectively, the "Loan Documents"), the Master Tenant agrees that the Master Lease is subject and subordinate to the Loan Documents, agrees to be bound by the Master Lease in the event the Master Lease is not terminated in consequence of a Loan Event of Default (as defined below), represents that the representations of the Trust with respect to the Real Estate and the Master Tenant set forth in the Loan Documents are true and correct, and covenants not to commence any insolvency proceeding against the Trust without the consent of the Lender.

Events of default under the Loan Agreement ("Loan Events of Default") include failure to pay debt service, failure to maintain required insurance coverages, bankruptcy of the Trust or the Master Tenant, and default by the Trust or the Master Tenant under the Master Lease, the Assignment of Subleases or the Subordination Agreement beyond any applicable cure period including any failure of the Master Tenant to comply with the operating covenants set forth in the Loan Documents (a "Master Lease Event of Default"). Upon a Loan Event of Default all Master Lease Basic Rent is payable by the Master Tenant to the Lender upon its demand, and upon a Master Lease Event of Default all Master Lease Rent is payable to the Lender upon its demand. The Lender may foreclose on the Real Estate, terminate or direct the Trust to terminate the Master Lease or exercise any other remedy available to it under applicable law in the case of a Loan Event of Default, provided that the Lender may not terminate or cause the Trust to terminate the Master Lease unless the Loan Event of Default is attributable to a Master Lease Event of Default on the part of the Master Tenant, and provided further that the Master Lease terminates automatically upon a foreclosure on the Real Estate by the Lender in consequence of a Loan Event of Default.

TAX ANALYSIS

It is our opinion that, for federal income tax purposes, the acquisition by the Investors of the Interests should be treated as the direct acquistion by the Investors of the Real Estate for purposes of Code Section 1031.

The principal authority governing the treatment of interests in Delaware Statutory Trusts for purposes of Code Section 1031 is Revenue Ruling 2004-86, 2004-2 C.B. 191. As more fully described below, our conclusion as to the treatment of the Interests under Code Section 1031 is based largely on the similarity between the facts described in Revenue Ruling 2004-86 and the facts in respect of the Trust, and the Treasury Regulations and case law that form the basis for the revenue ruling.

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Treatment of the Interests as Real Property for Purposes of Code Section 1031.

Code Section 1031 provides that no gain or loss is recognized on the exchange of real property held for productive use in a trade or business or for investment if such property is exchanged solely for real property of like kind which is to be held either for the productive use in a trade or business or for investment.

Code Section 1031 does not apply to certain types of property, including personal property, stocks, bonds, notes, other securities or evidences of indebtedness or interest, partnership interests and certain trust interests. However, even though these types of interests do not qualify for like-kind exchange treatment, an exchange of such interests may still qualify under Code Section 1031, if the tax law disregards or looks through the legal form of ownership and treats the owner of the interests as directly owning real property underlying such interests.

On July 20, 2004, the IRS issued Revenue Ruling 2004-86, 2004-2 C.B. 191, which held that, assuming the other requirements of Code Section 1031 are satisfied, a taxpayer may exchange real property for a beneficial interest in a Delaware Statutory Trust such as the trust described in the ruling (the "DST") in a tax-free exchange under Code Section 1031. The holding of Revenue Ruling 2004-86 is based on certain factual assumptions regarding the provisions of the trust agreement of the DST, although not all the facts described in the ruling are crucial to its holding. The facts as set forth in Revenue Ruling 2004-86 are as follows:

> On January 1, 2005, A, an individual, borrows money from BK, a bank, and signs a 10-year note bearing adequate stated interest, within the meaning of § 483. On January 1, 2005, A uses the proceeds of the loan to purchase Blackacre, rental real property. The note is secured by Blackacre and is nonrecourse to A.
>
> Immediately following A's purchase of Blackacre, A enters into a net lease with Z for a term of 10 years. Under the terms of the lease, Z is to pay all taxes, assessments, fees, or other charges imposed on Blackacre by federal, state, or local authorities. In addition, Z is to pay all insurance, maintenance, ordinary repairs, and utilities relating to Blackacre. Z may sublease Blackacre. Z's rent is a fixed amount that may be adjusted by a formula described in the lease agreement that is based upon a fixed rate or an objective index, such as an escalator clause based upon the Consumer Price Index, but adjustments to the rate or index are not within the control of any of the parties to the lease. Z's rent is not contingent on Z's ability to lease the property or on Z's gross sales or net profits derived from the property.
>
> Also on January 1, 2005, A forms DST, a Delaware statutory trust described in the Delaware Statutory Trust Act, Del. Code Ann. Title 12, §§ 3801 - 3824, to hold property for investment. A contributes Blackacre to DST. Upon contribution, DST assumes A's rights and obligations under the note with BK and the lease with Z. In accordance with the terms of the note, neither DST nor any of its beneficial owners are personally liable to BK on the note, which continues to be secured by Blackacre.

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The trust agreement provides that interests in DST are freely transferable. However, DST interests are not publicly traded on an established securities market. DST will terminate on the earlier of 10 years from the date of its creation or the disposition of Blackacre, but will not terminate on the bankruptcy, death, or incapacity of any owner or on the transfer of any right, title, or interest of the owners. The trust agreement further provides that interests in DST will be of a single class, representing undivided beneficial interests in the assets of DST.

Under the trust agreement, the trustee is authorized to establish a reasonable reserve for expenses associated with holding Blackacre that may be payable out of trust funds. The trustee is required to distribute all available cash less reserves quarterly to each beneficial owner in proportion to their respective interests in DST. The trustee is required to invest cash received from Blackacre between each quarterly distribution and all cash held in reserve in short-term obligations of (or guaranteed by) the United States, or any agency or instrumentality thereof, and in certificates of deposit of any bank or trust company having a minimum stated surplus and capital. The trustee is permitted to invest only in obligations maturing prior to the next distribution date and is required to hold such obligations until maturity. In addition to the right to a quarterly distribution of cash, each beneficial owner has the right to an in-kind distribution of its proportionate share of trust property.

The trust agreement provides that the trustee's activities are limited to the collection and distribution of income. The trustee may 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 DST. The trustee may not renegotiate the terms of the debt used to acquire Blackacre and may 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 may make only minor non-structural modifications to Blackacre, unless otherwise required by law. The trust agreement further provides that the trustee may engage in ministerial activities to the extent required to maintain and operate DST under local law.

On January 3, 2005, B and C exchange Whiteacre and Greenacre, respectively, for all of A's interests in DST through a qualified intermediary, within the meaning of § 1.1031(k)-1(g). A does not engage in a § 1031 exchange. Whiteacre and Greenacre were held for investment and are of like kind to Blackacre, within the meaning of § 1031.

Neither DST nor its trustee enters into a written agreement with A, B, or C, creating an agency relationship. In dealings with third parties, neither DST nor its trustee is represented as an agent of A, B, or C.

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> BK is not related to A, B, C, DST's trustee or Z within the meaning of § 267(b) or § 707(b). Z is not related to B, C, or DST's trustee within the meaning of § 267(b) or § 707(b).

The IRS's conclusions in Revenue Ruling 2004-86 were as follows:

> (1) The Delaware statutory trust described above is an investment trust, under § 301.7701-4(c), that will be classified as a trust for federal tax purposes.
>
> (2) A taxpayer may exchange real property for an interest in the Delaware statutory trust described above without recognition of gain or loss under § 1031, if the other requirements of § 1031 are satisfied.

The IRS noted that, under the facts of Revenue Ruling 2004-86, if the DST's trustee had the power to do one or more of the following acts, it would be classified as a partnership or other business entity for federal income tax purposes:

> (i) dispose of Blackacre and acquire new property; (ii) renegotiate the lease with Z or enter into leases with tenants other than Z; (iii) renegotiate or refinance the obligation used to purchase Blackacre; (iv) invest cash received to profit from market fluctuations; or (v) make more than minor non-structural modifications to Blackacre not required by law.

In addition, the DST would not have qualified as an "investment" trust had it been able to (a) accept additional contributions of new cash or assets from existing or new owners, or (b) invest reserves and cash in investments other than short term government obligations, certificates of deposit or interest bearing accounts that are held to maturity and that mature prior to the distribution of cash to the DST's owners.

Various facts in Revenue Ruling 2004-86 in our view are not determinative of the outcome, including (a) that Blackacre was subject to the note and lease prior to being contributed to the DST, (b) that each owner had a right to an in-kind distribution of the DST's property, and (c) that the persons who acquired interests in the DST acquired their interests indirectly from the original owner of the DST, rather than the DST itself.

In determining whether an Investor's acquisition of an Interest "should" be treated as the direct acquisition of an interest in the Real Estate for purposes of Code Section 1031, we analyze below in light of relevant authorities: (1) the Trust's classification as an entity separate from the Investors (and not an agency arrangement) for federal income tax purposes; (2) the Trust's classification as an "investment trust" (and not as a business entity) for federal income tax purposes; (3) whether the Master Lease constitutes a true lease for federal income tax purposes; (4) the Trust's classification as a "grantor trust" for federal income tax purposes; (5) the treatment of the Investors as holding direct interests in the Real Estate for federal income tax purposes; and (6) the Property Management Fees provided for under the Property Management Agreement.

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1. Classification of the Trust as an Entity Separate from the Investors for Federal Income Tax Purposes.

Under Treasury Regulation Section 301.7701-1(a)(1), whether an organization is an entity separate from its owners for federal 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. Revenue Ruling 2004-86 states that, generally, when participants in a venture form a state law entity and avail themselves of the benefits of that entity for a valid business purpose, such as investment or profit, and not for tax avoidance, the entity will be recognized for federal income tax purposes.

Whether the Trust is treated as an entity separate from the Investors for federal income tax purposes depends upon its treatment under local law and the nature of the relationships created among the parties to the Trust pursuant to the Trust Agreement.

In Revenue Ruling 2004-86, after describing certain relevant provisions of the Delaware Statutory Trust Act, and after observing that the DST was "formed for investment purposes," the IRS concluded that the DST was an entity for federal income tax purposes. We believe that the Trust is substantially similar to the DST described in Revenue Ruling 2004-86. First, and most importantly, both the DST and the Trust are Delaware Statutory Trusts, subject to the provisions of the Delaware Statutory Trust Act. The Sponsor has represented that the Trust has not opted-out and will not opt-out of its status as a separate legal entity pursuant to Section 3810(a)(2) of the Delaware Statutory Trust Act. Second, Section 2.03 of the Trust Agreement provides that one of the purposes of the Trust is to hold the Real Estate for investment purposes. This provision of the Trust Agreement is consistent with the purpose of the DST in Revenue Ruling 2004-86 (*i.e.*, "to hold property for investment"). Third, Sections 5.01(a) and 5.01(d) of the Trust Agreement provide that the Investors are not liable for any liabilities or obligations of other Investors, the Trust or the Trustees or for the performance of the Trust Agreement. Fourth, consistent with the DST's trust agreement, the Trust Agreement does not purport to create an agency relationship. In addition, the Sponsor has represented that neither the Trust nor the Trustees has entered into or will enter into any agreement or understanding with any beneficiary of the Trust creating an agency or nominee relationship and neither the Trust nor the Trustees has been or will be represented as an agent or nominee of any beneficiary of the Trust in dealings with third parties. Accordingly, the Trust should be respected as an entity separate from the Investors for federal income tax purposes.

2. Classification of the Trust as an "Investment" Trust Rather than as a Business Entity for Federal Income Tax Purposes.

In general, an organization constitutes a trust for tax purposes if it is an arrangement whereby trustees take title to property for the purpose of protecting or conserving it for the beneficiaries. Generally speaking, an arrangement will be treated as a trust for tax purposes if 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 that responsibility and, therefore, are not associates in a joint enterprise for the conduct of business for profit. Treasury Regulation Sections 301.7701-1(a)(1), (b), 4(a).

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There are other arrangements which are known as trusts because the legal title to property is conveyed to trustees for the benefit of beneficiaries, but which are not classified as trusts for tax purposes because they are not simply arrangements to protect or conserve the property for the beneficiaries. These trusts, which are often known as business or commercial trusts, generally are created by the beneficiaries simply as a device to carry on a profit-making business which normally would have been carried on through business organizations that are classified as corporations or partnerships for tax purposes. The fact that the corpus of such a trust is not supplied by the beneficiaries is not sufficient reason in itself for classifying the arrangement as an ordinary trust rather than as a corporation or a partnership for tax purposes. The technical casting of an organization in trust form, by conveying title to property to trustees for the benefit of persons designated as beneficiaries, will not change the real character of the organization if the organization is more properly classified as a corporation or a partnership for tax purposes. Treasury Regulation Section 301.7701-4(b).

An investment trust will not be classified as a trust if there is a power under the trust agreement to vary the investment of the certificate holders. An investment trust with a single class of ownership interests, representing undivided beneficial interests in the assets of the trust, will be classified as a trust for tax purposes if there is no power under the trust agreement to vary the investment of the certificate holders. An investment trust with multiple classes of ownership interests ordinarily will be classified as a corporation or a partnership for tax purposes. An investment trust with multiple classes of ownership interests will be classified as a trust for tax purposes, however, if the trust is formed to facilitate direct investment in the assets of the trust and the existence of multiple classes of ownership interests is incidental to that purpose and if there is no power under the trust agreement to vary the investment of the certificate holders. Treasury Regulation Section 301.7701-4(c).

A. Investment Trusts in General.

The DST in Revenue Ruling 2004-86 was held to be an "investment" trust and not a business entity. The courts and the IRS have considered the distinctions between an "investment" trust and a business entity on several other occassions.

In *Commissioner v. Chase National Bank*, 122 F. 2d 540 (2d Cir. 1941), a depositor transferred "units" consisting of the common stock of a number of corporations to a trust, and then sold trust certificates 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 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 IRS argued that the trust was taxable as a corporation for federal income tax purposes. The court rejected the IRS's argument, holding that because the trust agreement required the trust property "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," the trust was prevented from becoming more than a "strict investment" trust. *Id*. at 543.

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In *Commissioner v. North American Bond Trust*, 122 F. 2d 545 (2d Cir. 1941), *cert. denied*, 314 U.S. 701 (1942), an opinion issued by the Second Circuit on the same day that it issued the *Chase National Bank* opinion, the court reached a different conclusion regarding the treatment of a trust for federal income tax purposes. In contrast to the terms of the trust instrument in the *Chase National Bank* case, the terms of the trust instrument in *North American Bond Trust* accorded the depositor with the power "to take advantage of market variations to improve the investments of even the first investors." *Id*. at 546. This power arose in two ways. First, in making up new units, the depositor was not confined to the same bonds he had selected for the previous units. Second, 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 which would in turn reduce the existing certificate holders' interests in the old bond issues. 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…" (*Id*.), and accordingly that the trust was an association taxable as a corporation.

Revenue Ruling 75-192, 1975-1 C.B. 384, concerned a trust agreement that required the trustee to invest cash on hand between quarterly distribution dates in short term government obligations or in certificates of deposit issued by banks with minimum stated surplus and capital that mature prior to the following distribution date. The IRS concluded that, because the trust agreement restricted the trustee to a fixed return similar to that earned on a bank account, there was no opportunity to profit from market fluctuations. Accordingly, the power to invest in short term instruments described in Revenue Ruling 75-192 is not a power to vary a trust's investment.

In Revenue Ruling 79-77, 1979-1 C.B. 448, the IRS ruled that a trust formed to hold real property was an ordinary trust under Treasury Regulation Section 301.7701-4(a) and a "grantor trust" within the meaning of Subpart E of Subchapter J, Chapter 1 of the Code (*i.e.*, Code Section 671 *et seq*.), and not a "business entity" within the meaning of Treasury Regulation Section 301.7701-4(b) (*e.g*., a partnership or an association taxable as a corporation), where the trustee's duties were limited to the following: (i) holding title to real estate; (ii) at the direction of the beneficiaries, signing a 20-year "triple net" lease (with renewal options) for the real estate; (iii) enforcing the lease; (iv) signing such other agreements as are approved by the beneficiaries; (v) approving minor alterations to the real estate; and (vi) distributing net income of the trust to the beneficiaries on a quarterly basis.[1]

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[1] *See also* Private Letter Ruling 9352008 (September 29, 1993), in which the IRS ruled that an ownership interest in real estate should be respected as such for tax purposes and not recharacterized as a partnership interest where the real estate was subject to a net lease: "mere co-ownership of an interest in real property without providing more than the customary services of maintenance and repair and collecting of rents will not render a co-ownership a partnership . . . [The real estate] is already subject to a net lease, under which the lessee is responsible to pay all insurance premiums, general real estate taxes and special assessments, most of the utility expenses and a significant portion of the repair costs . . . Therefore, co-ownership of [the real estate] . . . is not, in and of itself, a partnership."

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In other situations, however, the IRS has determined that an arrangement formed to hold real estate was properly classified as a business entity. For example, in Revenue Ruling 78-371, 1978-2 C.B. 344, the heirs to certain real estate established a trust and transferred to the trust real estate subject to a net lease. The trust agreement expressly authorized the trustees to acquire additional real estate, to sell assets of the trust, to invest such sales proceeds in certain types of financial products, to borrow money, to mortgage and lease the trust property, and to build or remove improvements from the trust property without the knowledge or consent of the owners of the trust. The IRS concluded that the trustee's power to engage in extensive real estate operations and to invest the sales proceeds in financial products indicated that the trust was not formed merely to protect and conserve the trust's property and ruled that the trust was taxable as a corporation.

Revenue Ruling 78-371 may be contrasted with Revenue Ruling 75-374, 1975-2 C.B. 261. In this ruling, the IRS addressed the level of joint business activity that would cause co-owners of real estate to be viewed as partners for tax purposes. The co-owners of an apartment project hired an unrelated management company to manage the apartment project; the management company negotiated and executed the leases for the apartment units, collected rents and other payments from tenants, and paid taxes, assessments and insurance premiums relating to the project. The management company performed (i) all services customarily performed in connection with the maintenance and repair of the apartment project (such as providing heat, air conditioning, hot and cold water, unattended parking, normal repairs, trash removal and cleaning of service areas), and (ii) certain additional services such as attended parking, gas, electricity and other utilities. Customary tenant services were furnished by the management company to the tenants at no additional charge above the basic rental payments. The management company paid the costs incurred in providing the additional services and retained the charges paid by the tenants. The ruling concluded that the co-owners were not partners for tax purposes because the furnishing of customary services in connection with maintenance and repair did not render the co-ownership a partnership. The IRS also found that the management company was not an agent of the co-owners because the co-owners did not share any of the profits realized from the rendition of the non-customary additional services by the management company. Based on IRS's conclusions in Revenue Ruling 75-374, Revenue Ruling 78-371 should not be applicable to situations in which owners of real estate (whether direct or indirect) share only in the proceeds from customary services provided to tenants.

We believe that the arrangements provided for under the Trust Agreement and the Master Lease are similar to the arrangements described in *Chase National Bank* and Revenue Rulings 2004-86, 79-77, 75-192 and 75-374, and are distinguishable from the arrangements discussed in *North American Bond Trust* and Revenue Ruling 78-371. The Trust satisfies the "one class of interests" requirement because Article I of the Trust Agreement expressly states that the Interests in the Trust shall be of a single class. Section 2.03 of the Trust Agreement provides that one of the purposes of the Trust is to hold the Real Estate for investment purposes and that neither the Trustees, the Investors, nor their agents shall provide non-customary services with respect to the Real Estate. Section 2.04 of the Trust Agreement states that (i) the Trustees are holding the Trust Property for the benefit of the Investors, subject to the obligations of the Trust; (ii) it is the intention of the parties to the Trust Agreement that the Trust constitute a "statutory trust" within the meaning of the DSTA, and that Trust not constitute an agency, partnership, corporation, association or

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business trust for federal income tax purposes; and (iii) the Investors shall be treated for federal income tax purposes as owning a direct interest in the Real Estate and other Trust Property and shall be obligated to report their Interest consistently with such characterization. Article IV of the Trust Agreement (1) directs the Administrative Trustee to distribute all available cash to the Investors in accordance with their Percentages on a monthly basis, after paying or reimbursing the Trustees for any fees or expenses paid or incurred by the Trustees on behalf of the Trust, paying debt service on the Loan and related expenses and retaining such additional amounts as are necessary to pay anticipated ordinary current and future Trust expenses, and (2) requires undistributed cash to be invested 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 company having a minimum stated capital. Section 5.01(c) of the Trust Agreement provides that from and after such time as there is more than one Investor in the Trust, the Trust shall not constitute a business entity, but shall instead constitute an investment trust within the meaning of Treasury Regulation Section 301.7701-4(c). Section 7.03 of the Trust Agreement prohibits the Trustees from taking certain specified actions, 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 Regulation Section 301.7701-4(c)(1) and Revenue Ruling 2004-86. The Master Lease is a net lease and, pursuant to the Trust Agreement, the Master Lease may not be renegotiated unless the Master Tenant become bankrupt or insolvent.

B. Certain Differences between the Facts in Respect of the Trust and the Facts of Revenue Ruling 2004-86.

We have considered differences between the facts in respect of the Trust and the facts of Revenue Ruling 2004-86, including the differences noted below.

I. Loan Events of Default.

Nothing in the Loan Documents constitutes a power under the Trust Agreement to vary the investment of the Investors (or creates a second class of ownership interests in the Trust). To be sure, were the Lender to foreclose on the Real Estate or terminate the Master Lease or both in consequence of a Loan Event of Default, the corpus of the Trust would change. That is to say, either the Trust corpus would then consist of the Real Estate alone (if the Lender elected to terminate the Master Lease but not to foreclose on the Real Estate) or else the Trust corpus would be essentially a null set (if the Lender elected to foreclose on the Real Estate). Either way, the Trust would have no choice but to terminate, since its property would have been taken away from it (in the event of a foreclosure) or it would retain title to the Real Estate with no ability (absent a Master Tenant bankruptcy or insolvency) to renegotiate the Loan or to re-lease the Real Estate given the constraints imposed by Revenue Ruling 2004-86.

That said, the change in the Trust corpus would be the result of a power of the Lender under the Loan Documents, and not a power of the Trustees under the Trust Agreement. The only power the Trustees would have under the Trust Agreement would be to distribute whatever property the Trust had to the Investors in proportion to their percentage interests in the Trust (as tenants in common to the extent the distributed property consisted of the Real Estate) or to convert the Trust

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into an LLC (which in effect would constitute a distribution to the Investors of undivided interests in the Real Estate if the Trust had title thereto and/or percentage interests in any other Trust property including cash, coupled with contributions of the distributed property by the Investors to the LLC).

Even if a change in the Trust corpus pending liquidation of the Trust were a result of the existence of a power under the Trust Agreement, the change in corpus would not result in a variation of the investment of the Investors within the meaning of the case law or the investment trust Regulations (the "Sears Regulations"). Setting out the conceptual framework for the Sears Regulations, Judge Learned Hand stated in *North American Bond Trust* that there is no power to vary the investment of trust beneficiaries where the assets of the trust "were 'frozen,' so to speak, for the duration of the trust" such that the trust agreement did not confer "an opportunity to take advantage of variations in the market." Thus, the IRS ruled in Revenue Ruling 78-149, 1978-1 C. B. 448, that "[t]he existence of a power to sell trust assets does not give rise to a power to vary the investment [of the trust beneficiaries]. Rather, it is the ability to substitute new investments, the power to reinvest, that requires an investment trust to be classified as an association [taxable as a corporation, or as a partnership]." The Trust here at issue may sell its assets to its Lender (by means of a foreclosure) or to a third party (and use the proceeds in whole or part to satisfy the Loan), but the Trustees do not have authority under the Trust Agreement to reinvest sales proceeds to take advantage of market variations. *See also*, Private Letter Ruling 9212015 (Dec. 19, 1991) (power to sell trust corpus for stock and cash and distribute same to beneficiaries in liquidation of the trust merely facilitates the liquidation of the trust and is not a power to vary the investment of the beneficiaries).

II. Conversion of Trust to LLC.

The ability of the Trustees to convert the Trust to an LLC in specified circumstances should not constitute a power to vary the investment of the Investors. In such event, of course, the Investors will no longer be investors in a trust but instead will be investors in a newly formed limited liability company. Be that as it may, the corpus of the Trust would not have changed during the continuance of the Trust as a trust for state law purposes. Thus, the IRS ruled in Revenue Ruling 81-238, 1981-2 C. B. 248, that a trust retains its tax status as such notwithstanding arrangements whereby the beneficiaries may reinvest distributions in a newly formed trust, noting that "[t]he plan does not involve reinvestment in the original trust." Private letter rulings (which under Code Section 6110(k)(3) may not be used or cited as precedent) have made it clear that such arrangements amount to a reinvestment of trust distributions into the original trust only if the subsequent trust in substance is simply a continuation of, and therefore the same trust as, the original trust. As a limited liability company and not a trust, any LLC into which the Trust is converted cannot be the same entity as the original Trust. Private Letter Ruling 199943042 (July 23, 1999); Private Letter Ruling 200007006 (Nov. 15, 1999).

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III. Relationship between the Administrative Trustee, the Master Tenant, and the Property Manager.

The Administrative Trustee, the Master Tenant, and the Property Manager are all affiliates of the Sponsor. Specifically, the Master Tenant and the Property Manager are limited liability companies that are wholly owned by, and disregarded for federal income tax purposes as separate from, the Sponsor and the Administrative Trustee is a limited liability company that is 75% owned by the Sponsor and 25% owned by TREG Manager, LLC. At least arguably, therefore, the activities of the Master Tenant and/or the Property Manager with respect to the operation and management of the Real Estate should be attributed to the Administrative Trustee for tax purposes, in which event the Trust would be treated as a business trust rather than an investment trust.

We do not believe the relationship between the Administrative Trustee on the one hand and the Master Tenant and/or the Property Manager on the other hand should lead to a conclusion that the Trust is engaged in the operation of the Real Estate. The Administrative Trustee, the Master Tenant, and the Property Manager are separate entities under applicable state non-tax law and the Administrative Trustee is a separate entity from the Master Tenant and the Property Manager for federal income tax purposes. The Sponsor has represented that the Administrative Trustee will elect to be treated as a corporation for federal income tax purposes. Moreover, the Administrative Trustee is expressly required by the Trust Agreement to deal with the Real Estate consistent with its duties to conserve and protect the Trust corpus for the benefit of the Investors; the Administrative Trustee is subject to an implied contractual covenant of good faith and fair dealing under the Delaware Statutory Trust Act; and the contractual duties of the Administrative Trustee under the Trust Agreement are essentially ministerial in nature. Accordingly, in our judgment on balance the relationship among such parties should not defeat the status of the Trust as an investment trust.

IV. Conclusion.

The differences described in the preceding paragraphs, and any other differences between the Trust and the DST (including the Rent structure under the Master Lease), should not in our view defeat the classification of the Trust as an investment trust under Treasury Regulation Section 301.7701-4(c)(1) because they do not cause the Trust to have more than a single class of ownership interests and do not create a power to vary the investment of the Investors during the term of the Trust.

3. Characterization of the Master Lease for Federal Income Tax Purposes.

If the Master Lease is not a true lease for federal income tax purposes, then an Interest would not be eligible for a Code Section 1031 exchange because the Investors would not be the tax owners of the Real Estate. If the Master Lease constitutes a partnership agreement for tax purposes, then an Interest in the Trust would also not be eligible for a Code Section 1031 exchange because partnership interests cannot be exchanged for real property on a tax-free basis. If the Master Lease constitutes a contract under which the Master Tenant manages the Real Estate on behalf of the Trust, then the Trust would not be simply conserving and protecting the Trust estate but rather

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would be engaged in a business such that the Trust would not constitute a fixed investment trust and the Investors would again not be the tax owners of the Real Estate.

For the reasons discussed below, in our view the Master Lease should be respected as a true lease and not recharacterized as a partnership agreement or a management contract for federal income tax purposes.

A. The Master Lease Should be Respected as a True Lease.

In 1939, the Supreme Court in *Helvering v. F&R Lazarus & Co.* established that tax ownership in a lease transaction is not determined by the location of title or by the nomenclature adopted by the parties to the transaction: "In the field of taxation, administrators of the laws and the courts are concerned with substance and realities, and formal written documents are not rigidly binding." Thus, as in other areas of the tax law, substance takes priority over form. In the context of a lease, the fundamental issue is whether, taking into account all the facts and circumstances, the lessor has sufficient benefits and burdens of ownership to be respected as the owner of the leased property for tax purposes, or whether the lessor is in substance a conditional seller, a lender, a holder of an option, some other type of participant in the transaction, or perhaps an accommodation party rather than a real participant in the transaction. *Helvering v. F&R Lazarus & Co.*, 308 U.S. 252, 255 (1939) (lessee is tax owner).

In 1978, the Supreme Court revisited the true lease issue in *Frank Lyon Company v. Commissioner*: "we hold that where, as here, 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 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. Expressed another way, so long as the lessor retains significant and genuine attributes of the traditional lessor status, the form of the transaction adopted by the parties governs for tax purposes." *Frank Lyon Company v. Commissioner*, 435 U.S. 561, 583-84 (1978) (lessor is tax owner).

Both before and after the Supreme Court decisions, the IRS and the courts have considered the true lease issue. It is fair to conclude from the various cases and rulings that the principal aspect of a true lease for tax purposes is the availability to the lessor of a substantial anticipated residual value at the end of the lease term in underlying property in which the lessor has made a substantial equity investment, the enjoyment of which is subject to market forces and conditions, and the opportunity of the lessor, by realizing such residual value, to achieve a substantial economic profit from the lease transaction apart from the value of tax benefits. *See generally*, Michael G. Robinson and William A. Macan IV, "Tax Considerations," Chapter 3 of Ian Shrank and Arnold G. Gough, Jr. (eds), Equipment Leasing - Leveraged Leasing (5th ed. 2014); *see also*, Rev. Proc. 2001-28, 2001-1 C.B. 1156 (IRS advance ruling guidelines for leveraged lease transactions).

The Master Lease is styled as a lease. The Master Lease grants the right to possession and use of the Real Estate to the Master Tenant for a term of years. The Trust has lessor remedies such as repossession of the Real Estate in the case of an uncured event of default. The Sponsor has

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represented that the Trust has made a substantial equity investment in the Real Estate, reasonably expects the Real Estate to have a substantial remaining economic useful life and residual value at the end of the Master Lease term, which is not subject to renewal terms, and reasonably expects to realize a substantial economic profit from the Master Lease and subsequent further leasing and/or disposition of the Real Estate apart from the value of tax benefits and net of any Disposition Fee payable to the Master Tenant, and neither the Master Tenant nor any affiliate has any option to purchase the Real Estate from the Trust. In addition, the Lender is unrelated to the Master Tenant so that there is no issue of so-called lessee debt, and the Real Estate is not so-called limited use property that would be useful only to or useable only by the Master Tenant or an affiliate at the end of the term of the Master Lease. We also note that the Disposition Fee payable to the Master Tenant is equal to 1% of the gross sales price of the Real Estate and is only payable to the Master Tenant if (1) the gross sales price of the Real Estate (taking into account any indebtedness assumed or paid off in connection with such sale), reduced by (2) expenditures made by the Trust to pay off or cause the purchaser of the Real Estate to assume any indebtedness with respect to the Real Estate is less than the Maximum Offering Amount as defined by the Private Placement Memorandum, as supplemented.

Accordingly, in our view the Master Lease should be respected as a true lease for federal income tax purposes, with the result that the Master Tenant should not be treated as the owner of the Real Estate for tax purposes.

B. The Master Lease Should Not be Recharacterized as a Partnership Agreement.

The term "partnership" is defined in Code Sections 7701(a)(2) and 761(a) to include a syndicate, group, pool, joint venture, or other unincorporated organization through or by means of which any business, financial operation, or venture is carried on, and which is not properly classified for tax purposes as a corporation, trust, or estate. After promulgation of the so-called "check-the-box" Regulations, the substance of any business arrangement involving two or more participants must be examined to determine whether it rises to the level of an organization that is recognized as an entity separate from the participants for tax purposes. *See also*, Treasury Regulation Section 301.7701-2(c)(1) (the term "partnership" means a business entity that is not a corporation and that has at least two members).

An organization need not be an entity under applicable non-tax law to constitute a business entity in a tax sense. Thus, an economic relationship governed by a contract that does not create a juridical entity under local law, such as the relationships created by the Master Lease, may constitute an organization that rises to the level of an entity for purposes of the check-the-box Regulations. A contractual arrangement will create a separate entity for federal income tax purposes and will constitute a business entity potentially classifiable as a partnership for tax purposes "if the participants carry on a trade, business, financial operation, or venture and divide the profits therefrom." Treasury Regulation Sections 301.7701-1(a)(1), (2), -2(a).

In the case of the Master Lease, the Additional and Bonus Rent are measured by percentages of the gross revenues of the Master Tenant above specified thresholds up to specified caps. Sharing in gross income above a threshold may in some cases amount to a sharing in net income. In

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addition, the Master Tenant may be entitled to a Disposition Fee equal to a percentage of the gross revenues of the Trust from a sale of the Real Estate, Rent under the Master Lease varies with the level of Uncontrollable Expenses. These features raise the question of whether the Trust and the Master Tenant are partners in a partnership for Federal income tax purposes.

Insofar as the Trust's participation in the results of operation of the Real Estate is concerned, the Sponsor has represented that there is a reasonable possibility the Bonus Rent Cap will limit the amount of Rent that the Master Tenant will pay to the Trust by a not insignificant amount each year during the term of the Master Lease, and that the Rent payable under the Master Lease constitutes fair market value rent for the Real Estate over the term of the Master Lease. Insofar as the Master Tenant's participation in the proceeds of a disposition of the Real Estate is concerned, the Master Lease provides that the Disposition Fee is compensation for the agreement of the Master Tenant to assist the Trust in disposing of the Real Estate as the Trust may reasonably request. Accordingly, the Disposition Fee is a fee for services to be rendered, or for the Master Tenant's agreement to stand ready to provide disposition services if reasonably requested to do so by the Trust, rather than simply a share of the residual value of the Real Estate. Moreover, the Disposition Fee is a percentage of the gross sales price of the Real Estate rather than a percentage of the sales price net of outstanding indebtedness and selling expenses, and rather than a percentage of the Trust's taxable gain on a sale of the Real Estate; the Disposition Fee is limited to 1% of the gross sales price of the Real Estate; and the Disposition Fee is only payable to the Master Tenant if (1) the gross sales price of the Real Estate (taking into account any indebtedness assumed or paid off in connection with such sale), reduced by (2) expenditures made by the Trust to pay off or cause the purchaser of the Real Estate to assume any indebtedness with respect to the Real Estate is less than the Maximum Offering Amount as defined by the Private Placement Memorandum, as supplemented. Uncontrollable Expenses are not of sufficient magnitude, alone or in combination with other factors, to transmute the Master Lease from a true lease into a partnership agreement in disguise in a tax sense.

Insofar as the right of the Lender to terminate the Master Lease is concerned, a lessee may always and typically does bargain with its lessor's creditor for a continuation of the lessee's right of quiet enjoyment of the leased property in the event of a loan default not attributable to a lease default. The lessee may be successful in such negotiation, or the creditor may insist that the lease be subject and subordinate to the loan in all circumstances, such that the creditor preserves all of its potential options and thereby gives itself maximum flexibility to take such action as it then considers most advantageous at the time of a loan default in light of market conditions and other factors that it considers relevant at the time. Acceding to such a demand of the creditor is a commercial decision that a lessee in such circumstances may decide to take in light of the rent reserved in the lease and other factors that the lessee concludes may make the risk acceptable to it.

In the current situation, for example, the Master Tenant presumably views the risk of a Trust bankruptcy or insolvency not attributable to a Master Tenant bankruptcy or insolvency as highly unlikely and even remote. Similarly, the risk of an Investor's transferring an Interest in the Trust to a proscribed transferee without Lender consent may be perceived by the Master Tenant as not overly significant because under the terms of the Trust Agreement such a transfer may not be made without the consent of the Administrative Trustee.

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Nor is the Trust's responsibility to the Lender for specified actions of the Master Tenant indicative of a joint venture between the Trust and the Master Tenant for tax purposes. Rent payable by the Master Tenant to the Trust under the Master Lease is the expected source of funds to be used by the Trust to pay debt service to the Lender. The Lender therefore has a clear commercial interest in the Master Tenant's (and its Property Manager's) proper operation and management of the Real Estate and in the integrity of the Master Tenant as a solvent bankruptcy remote entity. Moreover, the Master Tenant was chosen by the Trust rather than by the Lender, and the Property Manager was chosen by the Master Tenant. Accordingly, the possibility that the Trust could have its Real Estate foreclosed on in consequence of a Loan Event of Default attributable to the Master Tenant (or the Property Manager) should not, by itself or in combination with other factors, result in the creation of a partnership between the Trust and the Master Tenant.

In addition, the Master Lease is styled as a lease of property, the Master Lease grants to the Master Tenant the right to possession and use of the Real Estate for a term of years, which is the classic indicia of a lease, and the Trust has lessor remedies such as repossession of the Real Estate in the case of an uncured event of default thereunder by the Master Tenant. The Sponsor has represented that the Master Tenant is reasonably capitalized, is acting as a principal for its own account and may reasonably be expected to realize a commercially reasonable profit from its lease and sublease of the Real Estate. The Master Tenant has not contributed and will not contribute capital to a joint venture with the Trust (Rent not in our view being fairly characterized as contributed capital), the Master Tenant does and will not share in any losses of the Trust, Rent is payable to the Trust even if the Master Tenant is operating at a loss, the Trust does and will not share in the management of the Real Estate during the term of the Master Lease, and the Master Tenant is not and will not be held out to taxing authorities or third parties as a partner with the Trust. In addition, the Sponsor has represented that the Trust and Master Tenant intend that the Master Lease constitute a true lease and not a partnership or joint venture agreement. Moreover, the Master Lease expressly provides that the parties thereto agree that the Master Lease is a true lease and not a partnership or joint venture.

We also note that under Code Section 7701(e)(2), dealing with the inverse situation of potential re-characterization of a partnership agreement as a disguised lease, a partnership agreement is treated as a lease for tax purposes if the arrangement is properly treated as a lease agreement, taking into account all relevant factors including whether the potential lessee is in physical possession of the underlying property, whether the potential lessee controls the underlying property, and whether payments by the potential lessee to the potential lessor do not substantially exceed the fair rental value of the underlying property for the term of the arrangement. In the case of the Master Lease, the Master Tenant has the right to possession of the Real Estate, the Master Tenant controls the Real Estate, and the Rent does not substantially exceed fair market rent.

On balance, we believe that the Trust and the Master Tenant have separate profit motives rather than a joint proprietary interest in profits, that the Trust derives its profits in its capacity as the lessor of the Real Estate whereas the Master Tenant derives its profits in its capacity as lessee and sublessor of the Real Estate, and that the Master Tenant is not engaged in carrying on a trade or business in partnership with the Trust with a view to dividing the profits therefrom within the meaning of the check-the-box Regulations. Accordingly, in our judgment the Master Lease should

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not be re-characterized as a partnership agreement for federal income tax purposes, and the Trust and the Master Tenant should not be characterized as partners (or as co-owners of the Real Estate) for federal income tax purposes. *See generally*, William S. McKee, William F. Nelson, Robert L. Whitmire, Gary R. Huffman and James P. Whitmire, Federal Taxation of Partnerships and Partners (4th ed. 2007 and 2021 Cum. Supp. No. 2), at para. 3.02, 3.04, 3.05; *see also, Commissioner v. Tower*, 327 U.S. 280 (1946); *Commissioner v. Culbertson* 337 U.S. 733 (1949); *Luna v. Commissioner*, 42 T.C. 1067 (1964); *Bussing v. Commissioner*, 88 T.C. 449 (1987), *supplemental opinion*, 89 T.C. 1050 (1987).

C. The Master Lease Should Not be Recharacterized as a Management Contract.

If the Master Tenant were recharacterized for tax purposes as a manager of the Real Estate hired by the Trust, then the Trust could be treated as being engaged in an active real estate business and not as a mere passive investor in real estate subject to a long-term net lease. In that event, the Trust would be classified as a corporation or partnership rather than a trust for tax purposes, and the Interests would not be treated as real property potentially eligible for like-kind exchange treatment under Code Section 1031.

The Trust has granted to the Master Tenant the right to possession and use of the Real Estate for a term of years. The Sponsor has represented that the Rent payable under the Master Lease constitutes fair market value rent. Having ceded the right to possession and use of the Real Estate to the Master Tenant, the Trust and its Trustees do not control or have the right to control the day-to-day operations of the Real Estate. Rather, the operations of the Real Estate, including the maintenance thereof, and the collection of rents from tenants, will be handled by the Property Manager under the Property Management Agreement. The Master Tenant and not the Trust is the party to the Property Management Agreement, and so it is the Master Tenant and not the Trust that has hired an agent or independent contractor to utilize the Real Estate on its behalf to run a housing business. In addition, and consistent with the foregoing, the Sponsor has represented that the Trust and Master Tenant intend that the Master Lease constitutes a true lease and not a management, agency, or nominee agreement. And the parties thereto have expressly agreed therein that the Master Lease is a true lease and not a management agreement. In addition, the Sponsor has represented that the Master Tenant is reasonably capitalized, is acting as a principal for its own account and may reasonably be expected to realize a commercially reasonable profit from its lease and sublease of the Real Estate.

Accordingly, in our view, on balance the Master Lease should be respected as a true lease and not recharacterized as a management, agency, or nominee agreement, and the Master Tenant should not be disregarded, for federal income tax purposes. *See, Meagher v. Commissioner*, 36 T.C.M. 1091 (1977) (management contract respected as such and not recharacterized as lease); *McNabb v. Commissioner*, 47 AFTR 2d 81-513 (W.D. Wash. 1980) (agreement constituted lease rather than management contract); *Amerco v. Commissioner*, 82 T.C. 654 (1984) (leases respected as such and not recharacterized as agency agreements).

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4. Classification of the Trust as a "Grantor Trust" for Federal Income Tax Purposes.

Under Code Section 671 *et seq*., where a grantor is treated as the owner of any portion of a trust (commonly referred to as a "grantor trust"), the grantor takes into account for federal income tax purposes the income and deductions which are attributable to that portion of the trust. A grantor trust includes an organization that is properly classified as a trust for federal income tax purposes if the income of the organization may be distributed or held or accumulated for future distribution to the grantor in the discretion of the grantor or a nonadverse party or without the approval or consent of an adverse party. For this purpose, an adverse party is any person having a substantial beneficial interest in the trust which would be adversely affected by the exercise or nonexercise of a power which he possesses respecting the trust. A nonadverse party is any person who is not an adverse party.

A grantor includes any person to the extent such person either creates a trust, or directly or indirectly makes a gratuitous transfer of property to a trust. A grantor also includes any person who acquires any interest in a trust from a grantor of the trust if the interest acquired is an interest in an investment trust. Treasury Regulation Section 1.671-2(e)(1), (3).

Like the DST in Revenue Ruling 2004-86, the Trust satisfies the Code requirements for qualification as a grantor trust. Section 2.04 of the Trust Agreement provides that the Investors shall be treated for federal income tax purposes as owning a direct interest in the Real Estate and other Trust Property and shall be obligated to report their Interests consistently with such characterization. Article IV of the Trust Agreement (1) directs the Administrative Trustee to distribute all available cash to the Investors in accordance with their Percentages on a monthly basis, after paying or reimbursing the Trustees for any fees or expenses paid or incurred by the Trustees on behalf of the Trust, paying debt service on the Loan and related expenses and retaining such additional amounts as are necessary to pay anticipated ordinary current and future Trust expenses, and (2) requires undistributed cash to be invested 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 company having a minimum stated capital. Section 5.01(c) of the Trust Agreement provides that from and after such time as there is more than one Investor in the Trust, the Trust shall not constitute a business entity, but shall instead constitute a "grantor trust" within the meaning of Subpart E of Part 1, Subchapter J of the Code (Code Sections 671 *et seq*.).

The Trust is a grantor trust because its income is distributed or held for distribution to the Investors without the consent or approval of an adverse party.

5. Treatment of the Investors as Directly Holding Interests in the Real Estate for Federal Income Tax Purposes.

Section 671 of the Code provides that where a grantor is treated as the owner of any portion of a trust, there shall then be included in computing the taxable income of the grantor those items of income and deductions of the trust which are attributable to that portion of the trust to the extent that such items would be taken into account in computing taxable income of an individual. Under

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Code Section 671 a grantor includes in computing his taxable income those items of income and deductions which are attributable to or included in any portion of a trust of which he is treated as the owner. An item of income or deduction included in computing the taxable income of a grantor under Code Section 671 is treated for federal income tax purposes as if it had been received or paid directly by the grantor. Treasury Regulation Section 1.671-2(a), (c).

In Revenue Ruling 2004-86, the IRS held that a person who is treated as the grantor of a grantor trust is considered to own its proportionate share of the assets of the trust for federal income tax purposes. Revenue Ruling 2004-86 went on to hold that an owner of a grantor trust that holds real property is considered to be the owner of an undivided interest in the real property and that, accordingly, real property can be exchanged for an interest in such a grantor trust without the recognition of gain or loss so long as the other requirements of Code Section 1031 are satisfied.

As indicated above, upon the issuance of the Interests to the Investors, the Trust will satisfy the tax law requirements for qualification as an investment trust and a grantor trust, and thus the owners of the Trust should be treated for federal income tax purposes as owning direct interests in the property held by the Trust. Accordingly, the Investors should be treated as owning direct interests in the Real Estate for purposes of Code Section 1031.

6. The Property Management Fees Provided for Under the Property Management Agreement.

If the Property Management Fees, alone or together with other fees payable under the Property Management Agreement and/or other factors, were to be recharacterized for federal income tax purposes as creating a partnership between the Property Manager and the Master Tenant and/or the Trust in respect of the ownership of the Real Estate from the outset, then an acquisition of the Interests in the Trust would not qualify as replacement property for purposes of the like-kind exchange provisions of Code Section 1031. If the Property Management Fees were recharacterized for federal income tax purposes as conveying to the Property Manager an ownership interest in the Real Estate as a tenant-in-common with the Trust, then the real property deemed owned by the Investors as grantors of the Trust for purposes of Code Section 1031 would be proportionately reduced.

The Management Fee is equal to 4% of Gross Collections. Gross Collections is defined to include all amounts actually collected in respect of the Real Estate, including rents, laundry room income, late charges, NSF charges, and utility payments, but to exclude deposit forfeitures collected for damages and security and other deposits received from tenants at the Real Estate that have not been forfeited. The Close-Out Management Fee is payable after at the termination of the Property Management Agreement and is equal to 50% of the final month's Management Fee (*i.e.*, 2% of the final month's Gross Collections). The Property Manager is also entitled to reimbursement of certain expenses such as direct payroll costs and payroll taxes, long distance telephone charges, postage and travel expenses incurred in accordance with the operating budget.

In our view the Property Manager should not be viewed as engaged in carrying on a trade or business in partnership with the Master Tenant with a view to dividing the profits therefrom within

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the meaning of the check-the-box Regulations discussed above. The Property Management Agreement is styled as a management agreement. The Master Tenant hired the Property Manager to manage and operate the Real Estate. The Property Management Agreement provides that the Master Tenant has hired the Property Manager as an independent contractor. The Property Management Agreement is terminable upon various events. The Property Manager has a separate rather than a joint interest in profiting from the operation of the Real Estate. Indeed, the Property Management Agreement does not exist from a tax perspective since both parties are disregarded as entities separate from the Sponsor and one cannot contract with oneself. Moreover, the Management Fee is measured by gross revenue from operation of the Real Estate, the Property Manager has not contributed capital to a joint venture with the Master Tenant, does not share in any losses of the Master Tenant, and is not held out to taxing authorities or third parties as a partner of the Master Tenant. Accordingly, in our judgment the Property Manager is not properly characterized for federal income tax purposes as standing in a partner-to-partner relationship with the Master Tenant. Moreover, even if the Property Manager were properly characterized for federal income tax purposes as standing in a partner-to-partner relationship with the Master Tenant, such a partnership relationship would not transmute the Trust into a partnership and cause an acquisition of the Interests in the Trust to fail to qualify as replacement property for purposes of the like-kind exchange provisions of Code Section 1031. Nor does the Property Manager share in the proceeds of a sale of the Real Estate.

Nor in our view should the Property Management Fees be characterized as granting to the Property Manager an undivided interest in the Real Estate as a tenant-in-common with the Trust. The Trust alone holds title to the Real Estate. No document denominated as a tenancy-in-common or similar agreement exists between the Trust (or any Trustee) and the Property Manager.

Accordingly, the Property Management Fees, alone or together with other fees payable under the Property Management Agreement and/or other factors, should not result in the creation of a partnership or a tenancy-in-common between the Trust and the Property Manager for federal income tax purposes.

CONCLUSION

Based on the facts and the authorities discussed above, we conclude that the acquisition of the Interests by the Investors should be treated as the direct acquisition of interests in the Real Estate for purposes of Code Section 1031.

This Opinion is given in reliance upon the accuracy and completeness of the documents, facts, assumptions and representations described herein. Any misstatement, or any change of a material fact referred to or omission of any material fact may require an adverse modification of all or a part of our Opinion.

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This Opinion is based on existing federal law, including judicial decisions, applicable Treasury Regulations, and current published administrative positions of the IRS, all of which are subject to change either prospectively or retroactively. We assume no responsibility to inform the addressee or any Investor of any future change in the law. Although this Opinion represents our considered legal judgment, it has no binding effect and, therefore, there can be no assurance that the IRS will not be able to successfully challenge the conclusions reached herein. This Opinion is delivered subject to this understanding and agreement. Finally, this Opinion is intended solely for the use of the Investors and may not be shown to or relied upon by any other party without our express written approval.

Very truly yours,

SEYFARTH SHAW LLP

SRM:RKM

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EXHIBIT E

Financial Forecast

THE FINANCIAL FORECAST CONTAINED HEREIN SHOULD NOT BE CONSTRUED AS PREDICTIONS OF THE ACTUAL OPERATING RESULTS OF THE PROPERTY OR THE ACTUAL RESULTS OF INVESTING IN THE INTERESTS. THE FINANCIAL FORECAST ARE INTENDED MERELY TO ILLUSTRATE THE POTENTIAL RESULTS THAT THE PROPERTY MIGHT ACHIEVE IF THE ACCOMPANYING ASSUMPTIONS ARE ACHIEVED. WHILE THE SPONSOR BELIEVES THAT THE ASSUMPTIONS ARE REASONABLE, THEY ARE NECESSARILY SPECULATIVE AND SUBJECT TO MANY UNCERTAINTIES AND RISKS. IT IS LIKELY THAT FUTURE EVENTS AND CONDITIONS WILL BE DIFFERENT FROM THOSE ASSUMED AND THAT ACTUAL RESULTS WILL BE DIFFERENT FROM THOSE ILLUSTRATED, AND THOSE DIFFERENCES MAY BE MATERIAL.

THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS MEMORANDUM, INCLUDING, WITHOUT LIMITATION, STATEMENTS REGARDING FUTURE EVENTS, ACTIVITIES, OCCURRENCES OR PERFORMANCES, ARE INTENDED MERELY AS ESTIMATES, TARGETS, PREDICTIONS OR BELIEFS REGARDING THESE FUTURE EVENTS, ACTIVITIES, OCCURRENCES OR PERFORMANCES, UNLESS EXPRESSLY STATED OTHERWISE. FOR VARIOUS REASONS, INCLUDING THOSE SET FORTH IN THE "RISK FACTORS" SECTION OF THIS MEMORANDUM, THERE CAN BE NO ASSURANCE THAT THE ACTUAL EVENTS WILL CORRESPOND WITH THESE FORWARD-LOOKING STATEMENTS OR THAT FACTORS BEYOND THE CONTROL OF THE TRUST WILL NOT AFFECT THE ASSUMPTIONS ON WHICH THE FORWARD-LOOKING STATEMENTS ARE BASED. THEREFORE, THE ILLUSTRATIVE VALUE OF THESE FORWARD-LOOKING STATEMENTS FOUND IN THIS MEMORANDUM SHOULD NOT, UNDER ANY CIRCUMSTANCES, BE CONSIDERED A GUARANTEE THAT SUCH FUTURE EVENTS, ACTIVITIES, OCCURRENCES OR PERFORMANCES WILL TAKE PLACE.

THE FINANCIAL FORECAST WAS COMPILED BY THE SPONSOR AND REPRESENT THE SPONSOR'S BEST ESTIMATE OF THE EXPECTED PERFORMANCE OF THE PROPERTY. THE FINANCIAL FORECAST WAS NOT EXAMINED OR OTHERWISE PASSED UPON BY THE SPONSOR'S LEGAL COUNSEL.

PROSPECTIVE INVESTORS SHOULD SEEK THE ADVICE OF THEIR OWN INDEPENDENT LEGAL AND TAX ADVISERS WITH RESPECT TO AN INVESTMENT IN THE PROPERTY AND THE PROSPECTIVE RISKS AND REWARDS THEREFROM.

Volaris
Lansing, MI

TRILOGY
REAL ESTATE GROUP

			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL
Effective Gross Income			5,485,901	5,849,682	5,995,925	6,145,823	6,299,468	6,456,955	6,618,379	6,783,838	6,953,434	7,127,270	
Net Operating Income			3,377,440	3,635,949	3,726,304	3,818,458	3,912,427	4,008,229	4,105,880	4,205,395	4,306,787	4,410,067	
BASE RENT													
Debt Service - Principal			0	0	0	0	0	0	0	0	0	0	**0**
Debt Service - Interest			1,472,533	1,472,533	1,476,568	1,472,533	1,472,533	1,472,533	1,476,568	1,472,533	1,472,533	1,472,533	**14,733,404**
Replacement Reserves			72,250	73,695	75,169	76,672	78,206	79,770	81,365	82,993	84,652	86,345	**791,117**
Base Rent - TOTAL			**1,544,783**	**1,546,228**	**1,551,737**	**1,549,206**	**1,550,739**	**1,552,303**	**1,557,933**	**1,555,526**	**1,557,186**	**1,558,879**	**15,524,521**
ADDITIONAL RENT													
Additional Rent Breakpoint			3,481,000	3,724,000	3,752,000	3,806,000	3,873,000	3,925,000	3,988,000	4,064,000	4,128,000	4,179,000	**38,919,998**
Additional Rent Cap			5,485,901	5,498,702	5,516,251	5,531,240	5,669,521	5,811,259	5,625,622	5,766,263	5,910,419	5,701,816	**56,516,994**
Cash Flow Over Breakpoint			2,004,901	2,125,683	2,243,925	2,339,823	2,426,468	2,531,955	2,630,379	2,719,839	2,825,434	2,948,270	**24,796,677**
Additional Rent Cash Flow			2,004,901	1,774,702	1,764,251	1,725,241	1,796,522	1,886,260	1,637,622	1,702,263	1,782,419	1,522,816	**17,596,996**
% to Trust	*100.00%*												
Additional Rent - TRUST			**2,004,901**	**1,774,702**	**1,764,251**	**1,725,241**	**1,796,522**	**1,886,260**	**1,637,622**	**1,702,263**	**1,782,419**	**1,522,816**	17,596,996
BONUS RENT													
Bonus Rent Breakpoint			5,485,901	5,498,702	5,516,251	5,531,240	5,669,521	5,811,259	5,625,622	5,766,263	5,910,419	5,701,816	**56,516,994**
Bonus Rent Cash Flow			0	350,981	479,674	614,582	629,947	645,695	992,757	1,017,576	1,043,015	1,425,454	**7,199,681**
Bonus Rent Cap			*0*	*386,000*	*528,000*	*676,000*	*693,000*	*710,000*	*1,092,000*	*1,119,000*	*1,147,000*	*1,568,000*	***7,919,000***
% to Trust	*90.00%*												
Bonus Rent - TRUST			**0**	**315,883**	**431,707**	**553,124**	**566,952**	**581,126**	**893,481**	**915,818**	**938,714**	**1,282,909**	6,479,713
Total Distributable Rent to Trust			**2,004,901**	**2,090,585**	**2,195,957**	**2,278,365**	**2,363,474**	**2,467,386**	**2,531,103**	**2,618,081**	**2,721,133**	**2,805,725**	24,076,709
Trust Administrative Expenses			104,986	104,986	104,986	104,986	104,986	104,986	104,986	104,986	104,986	104,986	**1,049,859**
			1,899,915	**1,985,599**	**2,090,971**	**2,173,379**	**2,258,488**	**2,362,400**	**2,426,117**	**2,513,095**	**2,616,147**	**2,700,739**	23,026,850
YIELD % OF OFFERING EQUITY		$ 42,220,677	**4.50%**	**4.70%**	**4.95%**	**5.15%**	**5.35%**	**5.60%**	**5.75%**	**5.95%**	**6.20%**	**6.40%**	
Remaining Principal Balance			43,878,000	43,878,000	43,878,000	43,878,000	43,878,000	43,878,000	43,878,000	43,878,000	43,878,000	43,878,000	