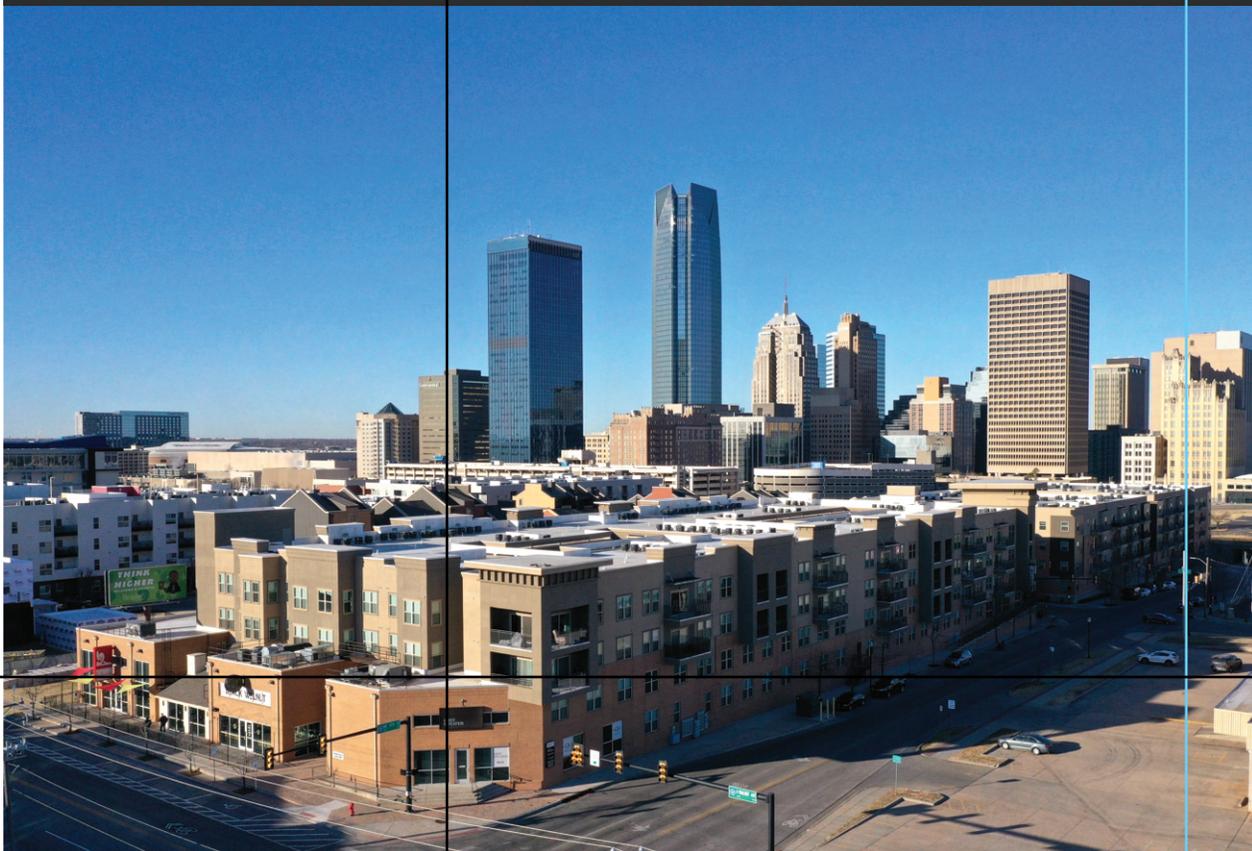


THE MAYWOOD



THE INVESTMENT

A Multifamily Housing Investment Opportunity

Delaware Statutory Trust - 506 (b) Offering

Investor Acquisition Cost: \$65,435,000

Offering Size: \$33,000,000

Minimum Cash Investment: \$25,000

Minimum 1031 Investment: \$100,000

Investment Term: 10 years

Loan Amount: \$32,435,000

3.345% fixed rate; 10 years interest only

Loan to value (loaded): 49.57%

Suitability: Accredited Investors as set forth in the Offering Memorandum

THE OPPORTUNITY

AN INVESTMENT IN A MIXED USE CLASS A, 299-UNIT LUXURY APARTMENT COMMUNITY LOCATED IN OKLAHOMA CITY, OK.

DIFFERENTIATED AMENITIES WITH LUXURY UNIT INTERIORS

The Maywood superbly balances eclectic and authentic, providing residents unique amenities including a resort-style pool and sun ledge, a full clubhouse with a kitchen and terrace, outdoor fire pits, a fitness center, a game and media room, and K-9 walk.

RETAIL FEATURING OKC'S TOP LOCAL TENANTS

The Maywood offers 9,487 SF of retail space, including an on-site car wash and two of OKC's premier restaurants, Black Walnut and Grey Sweater. Tenants also have the added benefit of ordering room service from both restaurants.

AMPLIFIED ACCESSIBILITY

Residents benefit from the premier location with Downtown Oklahoma City just minutes away offering easy access to exciting entertainment options, as well as world-class restaurants and fantastic shopping districts.



Address: 425 N Oklahoma Ave
Oklahoma City, OK 73104
Acreage: 1.13
Total SF: 178,716

MULTIFAMILY COMPONENT

Number of Units: 299
Year Built: 2014 & 2017
Net Rentable Area (SF): 95,848
Average SF per Unit: 845
Parking Spaces: 499

RETAIL COMPONENT

Number of Retail Spaces: 3
Total Retail SF: 9,487

ASSET OVERVIEW

The Maywood (the “Property”), a beautiful and exciting residential community offering 1-, 2- and 3-bedroom apartments in OKC! The homes in this handcrafted community feature stylish and comfortable interiors with ample living space, premium materials and finishes that lend an air of luxury and a range of amenities that are meant to help make day-to-day life less stressful and more convenient.

Each of these apartments in OKC features a gourmet kitchen with sleek and modern appliances, a full-sized washer and dryer, granite countertops and wood-plank flooring, central air conditioning and a private patio space or balcony. The wider community is also a sight to behold, offering landscaped courtyards, a resident clubhouse, a swimming pool and sundeck, outdoor fire pits, fitness centers and much more for you to enjoy.

Residents benefit from the premier location with Downtown Oklahoma City just minutes away offering easy access to exciting entertainment options, as well as world-class restaurants and fantastic shopping districts. There’s never a dull moment when you’re a resident of our charming community.



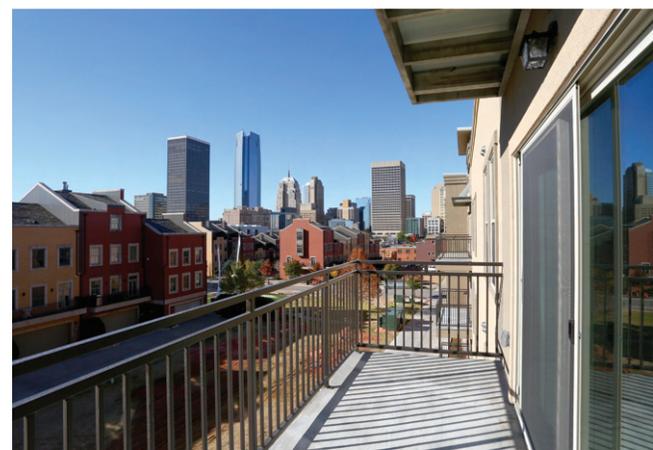
COMMUNITY AMENITIES

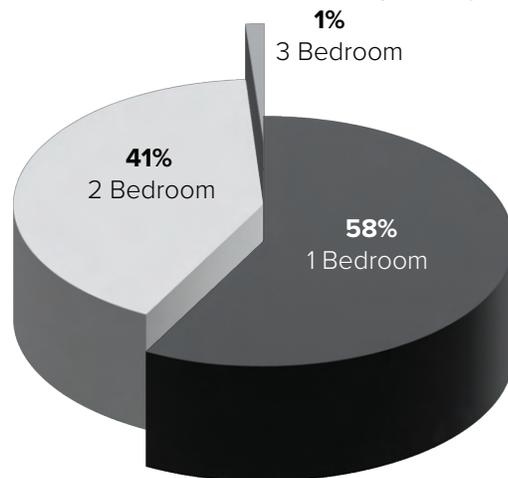
- Business Center
- Clubhouse
- Resort-style Pool and Sun Ledge
- Outdoor Fire Pits and BBQ's
- TV Lounge
- Fitness Center
- Free Weights
- Clubhouse Terrace
- Media Room
- Kitchen Islands
- 24 Hour Fitness Center
- Overlooking Downtown
- Room Service
- Elevators
- Sleek Modern Designer Kitchens
- On-Site Maintenance
- Covered Parking
- On-Site Carwash



APARTMENT AMENITIES

- Garage
 - Balcony*
 - ADA-Mobility Audio and Visual*
 - Courtyard
 - View*
 - 9' Ceilings
 - Granite Countertops
 - 2" Faux Wood Blinds
 - Oversized Bathrooms
 - Patio/Balcony*
 - Large Closets
 - Controlled Access
 - Wood Vinyl Plank Flooring
- * In select units





SAMPLE FLOOR PLANS



RETAIL COMPONENT

BLACK WALNUT

Explore the unexpected at Black Walnut, blending American cuisine with the neighborhood's cultural history, the menu is eclectic and vibrant. The pairing of global street cocktails from Bali to Brazil adds to its culinary spirit, and a spacious patio and happy hour specials make this our community's new favorite place to come together.

Dressed but not dressy, Black Walnut OKC is the perfect balance of thoughtful food and an unbuttoned experience.



OKC **GS** OK

Grey Sweater embraces a lifestyle of warmth that aims for a culinary experience where conventional cooking does not apply, transferring energy and creativity by letting the ingredients travel the grey areas of taste. Owing no allegiance, a freedom of flavor takes guests on a journey to places undiscovered.

Grey Sweater is a dining experience that offers a three-tiered tasting menu that highlights the most unique and unforgettable flavors from all over the world. It is a peek into Chef Black's newest creations and ideas.

MULTIFAMILY HOUSING OPPORTUNITY

As an investor, the potential advantages of owning a multifamily property can include:

Diversified Tenancy

Office properties, industrial buildings and retail properties usually have only one or a small number of tenants locked into long-term leases. Multifamily real estate properties, on the other hand, can have tens or even hundreds of diversely structured rental agreements with tenants turning over on a rolling basis. This provides downside-protection potential by reducing vacancy exposure during economic downturns.

Inflation Hedge

With leases regularly turning over, the owner can gradually increase average rents in accordance with prevailing market rates. In a strong market with increasing demand, property investors have the potential to more easily realize rental income growth.

Multifamily Real Estate Historically Exhibits Low Volatility

Multifamily has historically been the least volatile commercial real estate asset class. Whereas markets for industrial, office and retail closely align with macro and micro-economic forces, residential dwellings are the most indispensable. People need places to live more than shopping malls or office buildings. As a result, the multifamily asset class tends to be more resilient through market cycles and exhibit fewer swings in asset values.

Source: multifamilyexecutive.com/business-finance/transactions/5-reasons-to-invest-in-multifamily_o

Home Ownership Rate in the United States



Source: fred.stlouisfed.org/series/RSAHORUSQ156S

THE STRATEGY

The Maywood is currently a stabilized, well-performing, high-quality CORE product. CORE Pacific Advisors' targeted objectives for the property are to:

- preserve and return investors' capital investment;
- yield attractive and stable distributions to investors;
- steadily increase rental growth; and
- realize capital appreciation over the hold period.

Underwriting for The Maywood was based on:

- Rent growth assumed at:
 - 2.5% year 1
 - 3% years 2-10
- Expense growth assumed at 3%
- Occupancy projected at:
 - 94% (residential) years 1-10
 - 100% (retail) avg over 10 years
- 10-year interest only senior debt

MARKET OVERVIEW

Oklahoma City is a regional leader in aviation/aerospace, biotechnology, energy, transportation/logistics, and business services. Major employers include state and federal government, Tinker Air Force Base, higher education institutions, and healthcare providers. The OKC metro area is home to several major companies' headquarters, including Paycom, Hobby Lobby, Love's Travel Stops & Country Stores, Devon Energy, American Fidelity, and Continental Resources.

In recent years, the metro area has moved away from primarily oil and gas jobs with large aviation and biotechnology gains. E-commerce giant Amazon built a 2.6-million-square-foot fulfillment center in 2020 near Will Rogers World Airport and plans another 1-million-square-foot addition in 2021. Between new construction and leased space, it will bring Amazon's total footprint in the metro to 4.3 million square feet.

At the Interstate-35, Interstate-40, and Interstate-44 intersection, Oklahoma City is accessible to major markets via interstates, including Dallas 200 miles to the south. Will Rogers World Airport offers non-stop flights to destinations around the country, including direct access to the east and west coasts.



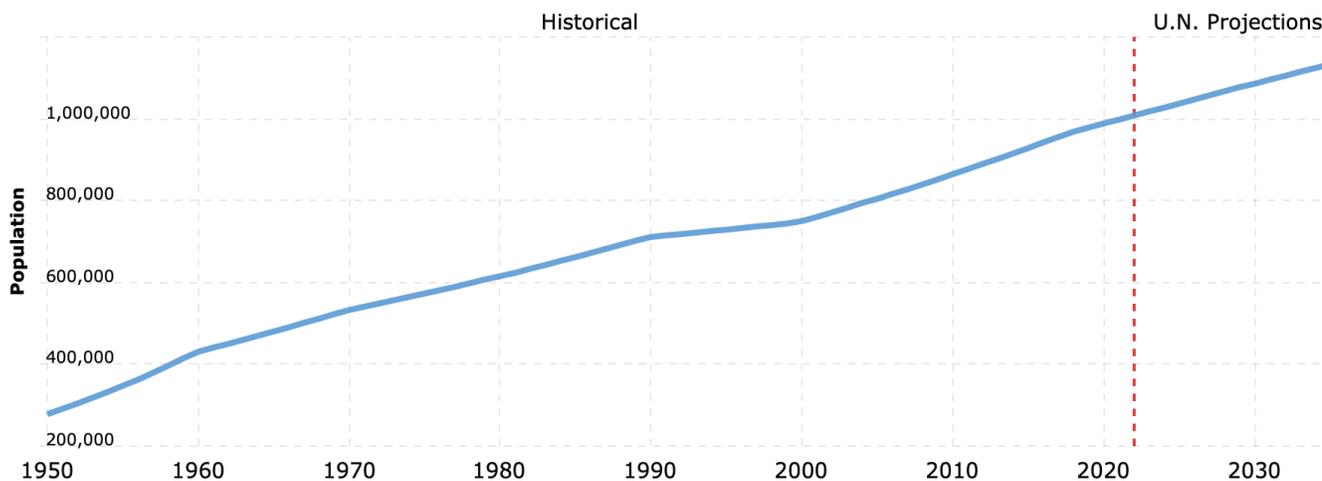
MARKET OVERVIEW

POPULATION GROWTH

The population of Oklahoma City has grown about 3 times as fast as Oklahoma, and almost twice as fast as the U.S. overall. According to the most recent survey by the U.S. Census Bureau, Oklahoma City grew by more than 17% over the past decade. As the mayor notes, the momentum is expected to bring more entrepreneurs, more employers, and more retail to the city.

KEY POPULATION STATS

- About 681,000 people live in Oklahoma City, and over 1.4 million people reside in the greater metropolitan area.
- Oklahoma City spans more than 620 square miles and is the second-largest city in the U.S. by area just behind Houston, with plenty of room for growth and development.
- Population of Oklahoma City has grown by 0.89% year-over-year and by more than 17% over the past decade, according to the most recent census.
- Based on an annual population growth rate of 1.55%, the Oklahoma City metropolitan area will be home to 1.52 million people by 2023 and will have nearly 2 million residents by 2040.
- The population of Oklahoma City is diverse: about 70% are white, 13% Hispanic or Latino, 11% African-American, 4% Native American, and 3% Asian.
- Median age in Oklahoma City is 35.6 years, with 41% of the population between the ages of 20 and 49.



Source: macrotrends.net/cities/23088/oklahoma-city/population

STRONG RENTER'S MARKET

Even though more new homes are being built than in the last seven years, demand for homes in Oklahoma City is still greater than the supply. With prices high and inventory low, over 40% of the households in OKC rent rather than own.

In fact, WalletHub ranks Oklahoma City as one of the top 70 best cities for renters. Factors used to rate the best markets for renters include activity in the rental market, overall affordability of renting, and quality of life.

Another reason the rental market in Oklahoma City and state remains strong is students and job seekers flocking to the metro area. Oklahoma is a very landlord-friendly state, helping to keep the rental market strong over the long term for real estate investors.

Source: learn.roofstock.com/blog/oklahoma-city-real-estate-market

JOB MARKET TRENDS

The job market in Oklahoma City has grown right along with the population. Over the past 10 years, more than 330,000 new jobs were created in the metropolitan area, while the cost of living is still 14% below the national average.

KEY EMPLOYMENT STATS

- GDP of Oklahoma City is nearly \$74.4 billion, increasing about 25% over the past 10 years.
- Unemployment in Oklahoma City is just 1.7% as of (BLS November 2021), with employment in the financial activities, professional and business services, education and health care, and leisure and hospitality sectors growing the most.
- The cost of living in Oklahoma City is 14% below the national average.
- Chesapeake Energy and Devon Energy are two Fortune 500 companies headquartered in Oklahoma City.
- Major government employers in Oklahoma City include the State of Oklahoma, the Federal Aviation Administration, the City of Oklahoma, and United States Air Force – Tinker AFB.
- Major healthcare and biotechnology employers in metro Oklahoma City include Integris Health, University of Oklahoma Health Sciences Center, SSM Health Care, and OU Medicine.
- AT&T, Sonic Corporation, The Boeing Company, The Hertz Corporation, United Parcel Service, Johnson Controls, MidFirst Bank, and American Fidelity Insurance are some of the other major corporations and large businesses in Oklahoma City.
- Economic sectors in Oklahoma City showing the healthiest annual job gains include oil and gas, administrative support, leisure services, wholesale trade, manufacturing, and business and professional services.
- Forbes lists Oklahoma City as the 54th best place for business and careers in the U.S. and among the top 40 cities where the cost of doing business is low.
- Major universities and colleges in metropolitan Oklahoma City include the University of Oklahoma, University of Central Oklahoma, and Oklahoma City Community College.
- Oklahoma City is the hub of the transportation system in the Midwest with Interstate 35, Interstate 40, and Interstate 44 bisecting the metro area.
- Will Rogers World Airport provides direct non-stop service to nearly 30 major cities including Atlanta, Charlotte, Chicago, Houston, Los Angeles, Miami, New York, and Seattle.

Source: learn.roofstock.com/blog/oklahoma-city-real-estate-market

GREATER OKLAHOMA CITY REGION MAJOR EMPLOYERS

Company Name	Sector	Employees
State of Oklahoma	Government	47,300
Tinker Air Force Base	Military	24,000
University of Oklahoma - Norman	Higher Education	12,700
INTEGRIS Health *	Health Care	9,000
University of Oklahoma Health Sciences Center	Higher Education	7,500
FAA Mike Monroney Aeronautical Center	Aerospace	7,000
Hobby Lobby Stores Inc *	Wholesale and Retail	6,500
Mercy Hospital *	Health Care	5,540
Amazon	Transportation	5,000
City of Oklahoma City	Government	4,800
The Boeing Company	Aerospace	3,600
OGE Energy Corp *	Utility	3,400
OU Medical Center	Health Care	3,300
SSM Health Care of Oklahoma, Inc. *	Health Care	3,000
University of Central Oklahoma	Higher Education	3,000
Paycom *	Technology	3,000
Norman Regional Hospital	Health Care	2,950
Devon Energy Corp *	Oil and Gas	2,700
AT&T	Telecommunications	2,700
Midfirst Bank *	Finance	2,500
Sonic Corp *	Wholesale and Retail	2,460
Dell	Sales and Business Services	2,300
Oklahoma City Community College	Higher Education	2,100
UPS	Transportation	1,800
Hertz Corporation	Rental Services	1,700
BancFirst *	Finance	1,700
Chesapeake Energy Corp *	Oil and Gas	1,630
Enable Midstream *	Oil and Gas	1,600
Love's Travel Stops & Country Stores *	Wholesale and Retail	1,500
Cox Communications	Telecommunications	1,400
American Fidelity *	Finance/Insurance	1,400
Great Plains Coca-Cola Bottling Company	Beverage Distribution	1,300
Johnson Controls	Manufacturing	1,200
Farmers Insurance Group	Customer Service	1,100
Bank of Oklahoma	Finance	1,100
Continental Resources *	Oil and Gas	1,080
Dolese Bros. Co. *	Manufacturing	1,060
INTEGRIS-Deaconess Hospital *	Health Care	1,000
Rose State College	Higher Education	1,000

Last Updated: February 2021
*Company headquarters

Source: greateroklahomacity.com/index.php?submenu=_employers&src=employers&srctype=major_employers_map

LIVE. WORK. PLAY.



Just east of OKC's downtown business district is Bricktown, the city's original warehouse and distribution center turned entertainment district. Founded just days after the Land Run of 1889, Bricktown was, and still is, a central hub connecting not only railroads and highways, but local citizens and visitors.

This thriving urban district is now home to more than 45 restaurants, bars, and retail shops, along with family-friendly attractions, a plethora of public art, museums, galleries, and even an urban beach for summer fun. The diversity of businesses, educational institutions, housing and leisure activities in this area make it a true 24/7 destination, one of the most distinct and historic in OKC.



The Deep Deuce district is located in downtown Oklahoma City, roughly between Main Street and NE 4th Street, from Broadway to I-235.

Known for its African-American heritage, Deep Deuce is recapturing its glory days as a vibrant urban neighborhood. During the 1920s and 1930s, the area was a hotbed of jazz music and African-American culture. The neighborhood has undergone a renaissance with many large-scale apartments and condominium. The cozy neighborhood offers a great walkable environment with a variety of restaurants, pet friendly businesses, art galleries, and an ever-growing list of new amenities.



TRUE URBAN WALKABILITY
Bricktown - 15 minute walk (0.7 miles)
Deep Deuce - 7 minute walk (0.3 miles)
Paycom Center - 15 minute Walk (0.7 miles)

Innovation Hub Could Become One of Oklahoma City's Largest Developments of the Decade

A pair of investors announced plans to develop an innovation hub that would be one of the largest developments in Oklahoma City in years, a move that aims to capitalize on the city's growing aerospace, technology and bioscience industries.

The leaders of Gardner Tanenbaum, a commercial real estate development and investment firm, and Robinson Park, an investment management firm, said they have acquired 2.7 acres near downtown Oklahoma City for a more than 400,000-square-foot campus of office, retail and public space as well as a hotel.

Portions of the campus near NE Eighth Street and Interstate 235, in the University Research Park, are expected to offer shared technology spaces for biomedical research and laboratory needs, as well as 3D imaging and printing, according to a developer statement.

It stands to be among the largest new commercial projects in the Oklahoma City market in the past decade, Bill Kitchens, senior market analyst with CoStar Group, said in an email. "This development ... signals the city is a hub for innovation within biotech and bio-manufacturing that will bring high-paying jobs to the area," Kitchens said.

Historically an oil and gas town, Oklahoma City has been diversifying away from the fossil fuels sector in recent years. Among the recent projects helping that diversification is Heartland Payment Systems' \$40 million, 100,000-square-foot headquarters at 606 N. Broadway Ave. downtown. The payment processing company completed the new headquarters development this year.

The innovation hub project is expected to accelerate that economic transition. The project, which is scheduled to begin construction late 2021, is planned to facilitate more than 6,000 jobs in the next three to five years, according to the developers' statement.

Wheeler Labs, a clinical laboratory developing in the diagnostics and bio-manufacturing space, has signed on as the project's anchor tenant, according to the statement. Wheeler Labs is part of a portfolio held by Echo Investment Capital, which works as an early investor and capital partner for up-and-coming companies. Its portfolio includes the multivitamin company Ritual and Boomerang, the Australian-inspired frozen snack company.

"Uniting the health science corridor with downtown is exactly what our community needs," Christian Kanady, founder of Echo Investment Capital, said in the statement.

The University of Oklahoma has also committed to the project as an educational and research partner, according to the statement. Details on the partnership were not disclosed.

"The project affords tremendous opportunity for [the university] to further grow our life-changing research in the areas of bio-technology, aerospace and defense, advanced manufacturing and more," Joseph Harroz Jr., president of the University of Oklahoma, said in the statement.

The University Research Park, where the project is planned, is a complex with more than 700,000 square feet of biomedical laboratory and office space that sits within the University of Oklahoma's Health Sciences Center.

Source: product.costar.com/home/news/976877537



ABOUT CORE PACIFIC ADVISORS

CORE Pacific Advisors is a real estate company with expertise in commercial real estate and real estate-related investments. An affiliate of CORE Realty Holdings Management, Inc. (CRHMI), CORE Pacific Advisors is focused on creating and implementing client-focused commercial real estate strategies that provide superior income, capital preservation and growth potential, all delivered with the highest level of integrity, communication and service.

With decades of experience in buying, managing and successfully selling commercial real estate in a variety of market conditions, the CORE Pacific Advisors team concentrates on identifying institutional quality investments with the potential to outperform the market while at the same time managing risk.

Of course, real estate is a business built on relationships, including those with sellers, brokers, service providers, buyers and most importantly investors. Over the years, CORE Pacific Advisors has developed strong relationships throughout the commercial real estate community and earned the trust of thousands of investors nationwide.

THE CORE PACIFIC ADVISORS TEAM



John R. Saunders

Manager

During the past 25 years, Mr. Saunders has become a large and successful commercial real estate owner of Orange County, California through the application of proactive management. He currently owns a substantial amount of real estate, primarily in Orange County. He is also a prominent North American dealer in ancient and rare coins. During the 1970's, he was the Assistant Treasurer at American Express Bank, one of the youngest officers appointed to the firm. He earned a BS in Mathematics from Eckerd College in St. Petersburg, Florida, and an MBA from The University of Pennsylvania Wharton School of Business.



Justin Morehead

Manager

As President & CEO of CORE Pacific Advisors, Mr. Morehead has been part of leading the disposition of CORE Pacific's assets since its inception and responsible for overseeing the asset management for CORE Realty Holdings Management, Inc.'s 6 million square feet commercial portfolio since 2013. Prior to joining CORE Realty Holdings Management, Inc., he was with Optima Asset Management Services, Inc., a property management, leasing and facilities maintenance company in Newport Beach, CA. Mr. Morehead graduated from Arizona State University with a B.A. degree from the W.P. Carey School of Business.



Mark Osgood

Manager

Mark Osgood has over 30 years of experience in real estate finance and ownership. Mr. Osgood spent 20 years in real estate finance and capital markets where he was Managing Director and Head of CMBS West Coast origination at Wachovia securities until 2006. Mr. Osgood opened the Wachovia west coast offices in 1998 and ultimately grew to \$8B annually by 2006. Mr. Osgood later served as Managing Director of the Global Real Estate Group at Lehman Brothers where he focused on highly structured real estate transactions for both fixed and floating rate products. In 2009 Mr. Osgood founded MDO Capital which is a real estate ownership, advisory and brokerage company. MDO Capital and its affiliates have amassed approximately 3,000 apartments, 750 mobile home park spaces and over 1,000 residential lots in addition to several office and industrial buildings. MDO Capital currently owns 2,900 build to rent units completed or in various stages of development in CA, TX, WA, CO and TN. Mr. Osgood has focused almost exclusively on apartments and single-family rentals since 2017, given the strong fundamentals and upward pressure on rents in certain submarkets. Mr. Osgood has extraordinary relationships with Fannie Mae, Freddie Mac and HUD through his extensive dealings at Wachovia, Lehman and his personal portfolio. Mr. Osgood has been involved in over \$5B in agency transactions over the past 20 years through CMBS (AAA tranches), MDO Capital brokerage and direct ownership. Mr. Osgood also has numerous lending relationships with CEOs and CCOs of major lenders which provide attractive terms and certainty of close. In total, Mr. Osgood has been involved in over \$45B in real estate transactions over his career. Mr. Osgood holds a Bachelor of Science in Finance degree from Arizona State University.



Michael Crimmins **Executive Vice President and Director of Capital Markets**

Michael Crimmins is the Executive Vice President, and Director of Capital Markets for CORE Pacific Advisors. Michael is also the Founder and Chief Executive Officer of CM Pacific Capital, a multi-sponsor product distribution platform distributing Delaware statutory trusts and real estate private placements. From October 2009 to May 2015, Mr. Crimmins was with KBS Capital Markets Group, LLC (“KBS Capital”), the broker dealer for KBS, a large non-traded REIT sponsor. He served as KBS Capital’s National Division Sales Manager. During his tenure at KBS Capital, he oversaw a sales and marketing organization that raised approximately 7 billion for several offerings. Prior to KBS Capital, Mr. Crimmins was the Western Division Sales Manager at AXA Distributors, LLC, in St. Louis, where he consistently ranked among the top five marketing professionals in annuity sales. Prior to AXA Distributors, he served as an Executive Sales Consultant for The Guardian Life Insurance Company in St. Louis. He served as a board member of the Investment Program Association (“the IPA”) from 2011 to 2015. The IPA is a leading industry association advocating Direct Investments. Mr. Crimmins earned a BS in Business Administration and Finance from the University of Missouri. He holds the Series 7, Series 24 and Series 63 securities licenses.



Henry Fitzpatrick **Chief Financial Officer and Treasurer of CORE Pacific Advisors**

Mr. Fitzpatrick served as Account Finance Officer at the Newport Beach office of CB Richard Ellis (CBRE) handling the accounting and reporting responsibilities for one of the largest facility management contracts the company had ever been party to, Washington Mutual Bank. This engagement involved managing the day-to-day real estate needs for over 2,500 branch locations nationwide. During his 12 years at CBRE, he also assumed various management roles both on the facility management and property management sides of the organization. His previous employers include Peat Marwick (KPMG), Trammell Crow Company and PM Realty Group. He received a BA in Business/Economics from the University of California, Los Angeles.



Kent Morehead **Chief Operating Officer**

Mr. Morehead has more than 40 years of industry experience working in hotel, resort, residential and recreational management, in addition to consulting on the creation, acquisition, improvement, management or disposition of properties. From the early 1970s, he was associated with many major hotel, resort and gaming brands including Del Webb, Americana and Wynn in Arizona, Nevada, Hawaii, Texas and New Jersey. In 1992, Mr. Morehead became a partner with James T. Kelley & Associates, Inc., a hospitality consulting firm involved with all phases of development, project/asset management and the sale or transfer of over 200 properties, including existing/planned hotels, resorts, residential or golf communities. He is a graduate of Arizona State University.



Donna Grant **Executive Vice President of Operations**

Ms. Grant joined CRHMI in 2005. Ms. Grant has over thirty-five years of commercial real estate finance and loan administration, credit underwriting, operations and closing experience in commercial real estate, construction, residential subdivision, mezzanine, REIT, 1031 exchanges and syndications in California and thirty-nine states nationwide. As a Senior Vice President for Nations Bank/Bank of America. Ms. Grant managed and led over ten real estate division banking acquisitions nationwide, and those responsible. As well as, the risk rating of real estate portfolio assets with the acquired bank which involved interaction and reporting through the bank’s board of directors. In addition, she was responsible for set up, training, and management of regional loan administration groups, relationship managers and credit officers for the Real Estate Lending Division of the Bank throughout the 1990’s, culminating in the 1999 merger with Bank of America. From 2000 to 2002, she was the Senior Loan Administration Manager for IndyMac Bank responsible for nationwide loan administration. Prior to joining CRHMI., Ms. Grant worked as Vice President and Director of Client Services for Loan Administration Network, Inc., providing staffing, training and consulting for banks, mortgage companies and title/escrow companies. She joined CRHMI and its affiliates, as one of the first employees and has managed the closing process and negotiated loan documents for the closing of every transaction by the company to date.



Marc Raskulinecz

Executive Vice President

Mr. Raskulinecz has spent the past 27 years working with leading Southern California real estate management companies. He has managed teams of 100+ associates, portfolios of 8,500 multifamily units and commercial assets of 4.5 million square feet. In addition, he has had the opportunity to work in the development and lease-up of 1,200+ multifamily units in the Southern California Market.



Nels P. Billsten

Senior Vice President, Acquisitions and Dispositions

Mr. Billsten has over 29 years of commercial real estate experience. From 2008 through 2015, he was responsible for the leasing of CRHMI's commercial property portfolio consisting of office, industrial and retail properties. Over the past fifteen years, the CRHMI team successfully negotiated over 700 leases totaling over 8 million square feet with an aggregative gross lease value of over \$500 million. He is also responsible for the disposition coordination of CRHMI assets totaling over \$200 million in the past 5 years. His background includes the acquisition, disposition, due diligence and asset management of office, industrial, retail and multifamily assets at PM Realty Advisors, a pension fund advisor, and in brokerage at CBRE. Mr. Billsten began his career in the Real Estate Services Group at Arthur Andersen & Co. Mr. Billsten holds an MBA from the University of Southern California, and a BA from Wheaton College (IL).



Tania Jernigan

Senior Vice President of Investor Relations

Ms. Jernigan has over 30 years of experience in financial and investor relations communications for both private and publicly traded companies. Prior to joining CRHMI, she served as Vice President of Investor Relations for Impac Mortgage Holdings, Inc. (NYSE: "IMH"), where she oversaw the investor relations program since its initial public offering in 1995. She has also provided investor relations consulting and contract services to small and mid-size firms focusing on the development of investor relations strategy. Ms. Jernigan also has significant experience in the marketing and management of private placement fundraising. Ms. Jernigan received her BA degree in Business Administration from California State University, Fullerton.



Tracie Nguyen

Senior Vice President of Operations and Closing

Ms. Nguyen has extensive experience in real estate acquisitions, finance, due diligence and closings. Over the past 15 years, she has closed over a billion dollars in the following asset classes: office, retail, industrial, flex, multifamily and golf course. In addition, her comprehensive background and experience has led to management roles such as overseeing portfolio management in multifamily and commercial real estate. Ms. Nguyen has worked in various capacities in real estate including underwriting, due diligence, accounting, asset management and operations. Ms. Nguyen received her Bachelor of Science degree at University of Southern California Marshall School of Business and earned an MBA from the Graziadio School of Business at Pepperdine University.

SUMMARY CAPITAL RISK FACTORS

Capital has not authorized the distribution of this PPM to any other person.

All investments involve risk. Risks associated with the Interests include the following:

- An investment in the Interests is speculative, illiquid and involves a high degree of risk and there is no guarantee that investors will receive any return;
- risks associated with investments in real estate, including competition, using leverage, environmental risks and lack of diversity of investment;
- the Trust, the Trust manager and the master tenant are newly formed with no operating history and, have limited capital and limited sources of income;
- no environmental representations provided by the depositor;
- lack of liquidity;
- the inflexibility of a Delaware statutory trust as a vehicle to own real estate;
- the potential need to transfer the Trust estate (or convert the Trust) to a springing limited liability company;
- potential lender cash sweep;
- conflicts of interest among the Trust manager, the depositor and the master tenant and their affiliates;
- the master lease is not a triple net lease;
- the Trust is responsible for paying certain capital expenditures and operating expenses;
- in the event that Trust expenses increase, returns to the investors will decrease;
- the Trust may not have sufficient funds to pay its expenses;
- the project is recently constructed and has not yet achieved a stabilized occupancy rate and may be subject to construction defects that have not yet revealed themselves;
- the need to sell the project before the maturity date of the loan;
- risks inherent in owning and financing the project;
- the uncertain impact of the COVID-19 virus;
- reliance on the master tenant, the property manager and the Trust manager to operate and manage the project and the Trust;
- the project being subject to the master lease;
- limited reserves held by the Trust;
- implementation of new tax laws and
- tax risks

Real Estate Risk Disclosure:

- There is no guarantee that any strategy will be successful or achieve investment objectives including, among other things, profits, distributions, tax benefits, exit strategy, etc.;
- Potential for property value loss – All real estate investments have the potential to lose value during the life of the investments;
- Change of tax status – The income stream and depreciation schedule for any investment property may affect the property owner's income bracket and/or tax status. An unfavorable tax ruling may cancel deferral of capital gains and result in immediate tax liabilities;
- Potential for foreclosure – All financed real estate investments have potential for foreclosure;
- Illiquidity – These assets are commonly offered through private placement offerings and are illiquid securities. There is no secondary market for these investments.
- Reduction or Elimination of Monthly Cash Flow Distributions – Like any investment in real estate, if a property unexpectedly loses tenants or sustains substantial damage, there is potential for suspension of cash flow distributions;
- Impact of fees/expenses – Costs associated with the transaction may impact investors' returns and may outweigh the tax benefits
- Stated tax benefits – Any stated tax benefits are not guaranteed and are subject to changes in the tax code. Speak to your tax professional prior to investing.

Important Disclosures

The contents of this communication: (i) do not constitute an offer of securities or a solicitation of an offer to buy securities, (ii) offers can be made only by the confidential Private Placement Memorandum (the "PPM") which is available upon request, (iii) do not and cannot replace the PPM and is qualified in its entirety by the PPM, and (iv) may not be relied upon in making an investment decision related to any investment offering by an issuer, or any affiliate, or partner thereof ("Issuer"). All potential investors must read the PPM and no person may invest without acknowledging receipt and complete review of the PPM. With respect to any "targeted" goals and performance levels outlined herein, these do not constitute a promise of performance, nor is there any assurance that the investment objectives of any program will be attained. All investments carry the risk of loss of some or all of the principal invested. These "targeted" factors are based upon reasonable assumptions more fully outlined in the Offering Documents/ PPM for the respective offering. Consult the PPM for investment conditions, risk factors, minimum requirements, fees and expenses and other pertinent information with respect to any investment. These investment opportunities have not been registered under the Securities Act of 1933 and are being offered pursuant to an exemption therefrom and from applicable state securities laws. All offerings are intended only for accredited investors unless otherwise specified. Past performance are no guarantee of future results. All information is subject to change. You should always consult a tax professional prior to investing. Investment offerings and investment decisions may only be made on the basis of a confidential private placement memorandum issued by Issuer, or one of its partner/issuers. Issuer does not warrant the accuracy or completeness of the information contained herein. Thank you for your cooperation.

Securities offered through Emerson Equity LLC Member: FINRA/SIPC. Only available in states where Emerson Equity LLC is registered. Emerson Equity LLC is not affiliated with any other entities identified in this communication.

THE MAYWOOD

WWW.COREPACIFICADVISORS.COM



1600 Dove St # 450

Newport Beach, CA 92660

949-863-1031

Capital has not authorized the distribution of this PPM to any other person.

CLASS A BENEFICIAL INTERESTS IN THE MAYWOOD APARTMENTS

6,600 Class A Beneficial Interests at \$5,000 per Interest
 Minimum Purchase (Cash Purchaser): 5 Interests (\$25,000 of equity)
 Minimum Purchase (Code Section 1031 Exchange Purchaser): 20 Interests (\$100,000 of equity)
 Maximum Offering Amount: \$33,000,000 (of equity)

The Maywood Apartments (the “Trust”) is a Delaware statutory trust that was formed by CP Maywood Depositor, LLC, a Delaware limited liability company (the “Depositor”), pursuant to a trust agreement dated November 22, 2021 (the “Original Trust Agreement”). The Trust is offering for sale up to 6,600 Class A Beneficial Interests (the “Interests”) in the Trust pursuant to this Class A Beneficial Interests in The Maywood Apartments Confidential Private Placement Memorandum, including the Exhibits, as may be amended or supplemented (this “Memorandum”), each representing 0.0151515% of the beneficial interests in the Trust. The Trust is offering the Interests to purchasers (the “Holders”) as set forth in this Memorandum (the “Offering”). The Trust will offer the Interests until the earliest of (i) the sale of \$33,000,000 of Interests, (ii) the first anniversary of the effective date of the Conversion Notice (as defined in the Trust Agreement) or (iii) a determination by the Trust to terminate the Offering (the “Offering Termination Date”). **This Memorandum should be read in its entirety before making an investment decision.**

On December 30, 2021, the Trust acquired a multifamily apartment community known as The Maywood Apartments, located at 425 N. Oklahoma Avenue, Oklahoma City, Oklahoma 73104 (the “Project”) from 4th Street Investors, LP and 4th Street Investors II, LP, unaffiliated sellers (collectively, the “Seller”), pursuant to a purchase and sale agreement (the “Acquisition Agreement”) for a purchase price of \$57,250,000.

The Project is subject to a master lease (the “Master Lease”) with CP Maywood Apartments MT, LLC (the “Master Tenant”), an Affiliate of the Depositor and the Trust Manager (as defined below). The Master Tenant entered into a management agreement with CORE Realty Holdings Management, Inc., a California corporation (the “Property Manager”), to manage the day-to-day operations of the Project. The Depositor deposited \$24,927,556 for the acquisition of the Project, and \$900,000 of operating reserves (the “Operating Reserves”) and a \$35,000 reimbursement reserve (the “Reimbursement Reserve” and together with the Operating Reserves, the “Trust Reserves”) into the Trust in exchange for 6,600 Class B beneficial interests in the Trust representing all of the beneficial interests in the Trust. The Project and the Trust Reserves are the only assets of the Trust.

CP Maywood Apartments Manager, LLC (the “Trust Manager”), an Affiliate of the Depositor and the Master Tenant, is the administrative manager of the Trust. Delaware Trust Company (the “Delaware Trustee”) is the trustee of the Trust.

The purchase price for 1 Interest is \$5,000 in cash. Each cash purchaser must purchase at least 5 Interests (a \$25,000 equity investment) and each Code Section 1031 exchange purchaser must purchase at least 20 Interests (a \$100,000 equity investment), unless a smaller investment is allowed in the sole discretion of the Trust. As part of the acquisition of an Interest, a Holder will be required to enter into the Amended and Restated Trust Agreement (the “Trust Agreement”) with the Depositor, the Trust Manager, the Delaware Trustee and the other Holders.

The Trust obtained a loan to acquire the Project in the principal amount of \$32,435,000 (the “Loan”) from Arbor Commercial Funding I, LLC (the “Lender”) under the Fannie Mae DUS Loan Program.

The principal objectives of the Trust are to (i) distribute to the Holders rent, after payment of debt service and expenses, at levels beginning at 4.18% and increasing to 5.95% of the purchase price paid by the Holders for the Interests during the first 10 years of ownership and (ii) prepare the Project to be sold in approximately 10 years. **There can be no assurance that any of these objectives will be achieved.**

An investment in an Interest is highly speculative and involves substantial risks including, but not limited to, risks associated with investments in real estate; the Trust, the Trust Manager and the Master Tenant are newly formed with no operating history and have limited capital and limited sources of income; environmental risks; limited environmental representations and warranties provided by the Seller; lack of liquidity; competition; the inflexibility of a Delaware statutory trust as a vehicle to own real estate; the potential need to transfer the Trust Estate (as defined in the Trust Agreement) (or convert the Trust) to a Springing LLC (as defined below), potential Lender cash sweep; conflicts of interest among the Trust Manager, the Depositor and the Master Tenant and their Affiliates; the Master Lease is not a triple net lease; the Trust is responsible for paying certain capital expenditures and operating expenses; in the event that Trust expenses increase, returns to the Holders will decrease; the Trust may not have sufficient funds to pay its expenses; the need to sell the Project before the maturity date of the Loan; risks inherent in owning and financing the Project; using leverage to acquire real estate; lack of diversity of investment; the uncertain impact of the COVID-19 virus; reliance on the Master Tenant, the Property Manager and the Trust Manager to operate and manage the Project and the Trust; the Project being subject to the Master Lease; limited reserves held by the Trust; utilizing the Fannie Mae loan documents; implementation of new tax laws and tax risks. See “Risk Factors.”

The mailing address of the Trust is c/o CP Maywood Apartments Manager, LLC, 1600 Dove Street, Suite 450, Newport Beach, California 92660 and the telephone number is (949) 863-1031.

Neither the Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved these securities or passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

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

	Price to Holders	Selling Commissions and Expenses ⁽¹⁾	Proceeds to Depositor ⁽²⁾
Per Interest ⁽³⁾	\$ 5,000	\$ 450	\$ 4,550
Maximum Offering Amount	\$ 33,000,000	\$ 2,970,000	\$ 30,030,000

- (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”). Emerson Equity, LLC, a California limited liability company (the “Managing Broker-Dealer”), a member of FINRA will act as the Managing Broker-Dealer and will receive selling commissions (the “Selling Commissions”) in an amount up to 6.0% of the purchase price of the Interests sold by the Selling Group Members (combined with all other sales of Interests, the “Total Sales”), which will either be paid to affiliates of the Managing Broker-Dealer, some of which may be internal to Affiliates of the Trust Manager, or reallocated 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. As a result, certain Holders may acquire Interests net of Selling Commissions. The Managing Broker-Dealer will also receive a nonaccountable marketing and due diligence allowance in an amount equal to 1.0% of the Total Sales, which will be reallocated to the Selling Group Members (which may include the Managing Broker-Dealer and its affiliates). The Managing Broker-Dealer will also receive a placement fee in an amount equal to 1.0% of the Total Sales, some of which may be reallocated to affiliates of the Managing Broker-Dealer, and may sell Interests as a Selling Group Member, thereby becoming entitled to Selling Commissions. The Managing Broker-Dealer will also receive a wholesaler fee in an amount up to 1.0% of the Total Sales, which it will reallocate, in whole or in part, to certain wholesalers some of which are internal to Affiliates of the Trust Manager. The Managing Broker-Dealer may also enter into agreements for the sale of the Interests to certain investors with non-FINRA registered investment advisers. The Managing Broker-Dealer will not be entitled to earn the 6.0% Selling Commission on Interests purchased by investors through registered investment advisers. The total aggregate amount of Selling Commissions, allowances, expense reimbursements and placement fees (the “Selling Commissions and Expenses”) will not exceed 9.0% of the Total Sales. The Depositor will be responsible for paying all of the Selling Commissions and Expenses. For purposes of calculating the Total Sales, each Interest will be deemed to have a sales price of \$5,000, and any discount provided to a Holder will be disregarded.
- (2) The Trust will redeem all of the Class B beneficial interests held by the Depositor for \$33,000,000, which is greater than the amount contributed by the Depositor for all of the Class B beneficial interests in the Trust (\$25,862,556). The Depositor is responsible for paying certain costs and expenses, including: (i) Selling Commissions and Expenses of approximately \$2,970,000, (ii) organization and offering costs of approximately \$247,500, (iii) closing costs of approximately \$452,024, (iv) due diligence costs and expenses of approximately \$50,000, (v) carrying costs of approximately \$660,000, (vi) Lender and Loan expenses of approximately \$965,420 (a portion of which will be paid to a principal of CORE Pacific Advisors, LLC (“CORE Pacific”)) and (vii) a real estate finder’s fee of \$572,500. The estimates of these costs and expenses are based on certain assumptions made by the Depositor. The actual amount of these costs and expenses may be greater or less than estimated. If actual costs and expenses are less than estimated, the additional amount will be retained by the Depositor. If actual costs and expenses are more than estimated, the Depositor will be required to pay for the excess amount. The Depositor estimates that the amount retained by it from the proceeds of the Offering (the “Offering Proceeds”) after paying the costs and expenses described above will be approximately \$1,220,000. Of this amount, the Depositor distributed \$250,000 to CORE Pacific, its sole member, to capitalize and establish reserves for the Master Tenant (which reserves will be retained by the Master Tenant to the extent not used). The net amount retained by the Depositor from Offering Proceeds after funding the Master Tenant and payment of the costs and expenses described above will be approximately \$970,000. See “Compensation to the Depositor, the Trust Manager, the Master Tenant and Their Affiliates” and “Estimated Use of Proceeds.”
- (3) The minimum purchase for cash purchasers is 5 Interests (\$25,000 of equity) (the purchase of 5 Interests also includes an allocation of 0.0757576% of the Loan (\$24,571.97)) and the minimum purchase for Code Section 1031 exchange purchasers is 20 Interests (\$100,000 of equity) (the purchase of 20 Interests also includes an allocation of 0.3030303% of the Loan (\$98,287.88)), except that the Trust may permit a smaller investment in its sole discretion.

The purchase of an Interest involves significant risks. This Memorandum should be read in its entirety and the discussion set forth under “Risk Factors” should be carefully considered. This Memorandum contains forward-looking statements that involve risks and uncertainties. This Memorandum contains Projections of Operations for the Project (the “Projections”). The Project’s and the Trust’s anticipated

performance, as described in this Memorandum, is based on the assumptions contained in the Projections attached hereto as Exhibit E. These assumptions may not be accurate. In addition, there is no assurance that the Projections attached as Exhibit E will be accurate. The Project's and the Trust's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed under "Risk Factors."

Risks of an investment in an Interest include, among others, the following:

1. The Trust is newly formed with no operating history and limited assets. See "Risk Factors – Risks Relating to the Operation of the Trust – New Venture."

2. Although certain principals of the Trust Manager have experience owning and operating real estate as described in this Memorandum, the Trust Manager is newly formed and therefore has no experience owning or operating multifamily apartment communities, no experience managing a Delaware statutory trust and has limited capital. See "Risk Factors – Risks Relating to the Operation of the Trust – No Experience of the Trust Manager."

3. The recent outbreak of the COVID-19 virus has created considerable instability and disruption in the United States and world economies. As a result, the Trust may experience results that are lower than anticipated. In addition, the Master Tenant may not be able to evict residents. The occurrence of any of the foregoing events or any other related matters could materially and adversely affect the financial performance and the overall value of the Trust, and investors may lose all or a substantial portion of their investment in the Trust. See "Risk Factors - Real Estate Risks - Potential Effect of the COVID-19 Virus Outbreak."

4. No public market exists for the Interests, and it is highly unlikely that any such market will develop. The Interests are not freely transferable as a result of substantial restrictions on the transfer of the Interests under federal and state securities laws. Interests must be considered solely as long-term investments. In addition, the Lender imposed certain conditions on the transfer of the Interests, particularly if a prospective Holder will acquire 25% or more of the Interests in the Trust. See "Restrictions on Transferability."

5. There can be no assurance that the Holders will realize any return on their purchase of the Interests or that the Holders will not lose their investments completely. See "Risk Factors - Risks Relating to Offering and Lack of Liquidity – Speculative Investment."

6. The Trust Manager has attempted to structure the ownership of the Project by the Trust so that the Trust is a passive owner of the Project. The Trust is an inflexible investment vehicle for owning real property. If the Trust is required to take certain actions that are not within its power, the Project will be transferred (or the Trust will be converted) to a newly formed limited liability company (the "Springing LLC"). If the Project is transferred (or the Trust is converted) to the Springing LLC, the Holders will lose their ability to participate in a Code Section 1031 exchange upon the sale or other disposition of the Project. See "Risk Factors – Risks Relating to the Trust Structure – Inflexibility of the Trust as a Vehicle to Own Real Property; Inability to Take Business Actions" and "Summary of the Trust Agreement."

7. Under the Projections prepared by the Trust Manager, the Project will not generate sufficient cash flow to pay for all of the (i) operating expenses, (ii) projected capital expenditures and improvements (including tenant improvements) and (iii) Base Rent (as defined below) under the Master Lease without the use of the reserves that will be established from the Offering Proceeds. Thus, without the establishment of reserves by the Trust, the return to the Holders would be reduced. See "Risk Factors – Risks Relating to the Trust Structure – Insufficient Cash Flow."

8. The Internal Revenue Service (the "IRS") issued Revenue Ruling 2004-86 (the "Revenue Ruling") which sets forth certain factual assumptions regarding the organizational and ownership structure of a Delaware statutory trust. The utilization of a Delaware statutory trust to acquire and hold property for purposes of a Code Section 1031 exchange is a recent development under the tax laws. This ownership structure is based primarily upon the Revenue Ruling, which addresses whether a trust will be treated as an investment trust that is classified as a trust for federal income tax purposes. If the Trust is treated as having the power to vary the investment of the Holders, then the Trust would be viewed as a partnership and not as an investment trust and the Interests would not qualify as like-kind property for purposes of Code Section 1031. Pursuant to the Master Lease, the Trust and the Master Tenant are

each prohibited from taking any action that would violate the provisions of the Revenue Ruling. There is no direct authority other than the Revenue Ruling regarding the use of a Delaware statutory trust as an investment trust that will be classified as a trust. It is possible that the IRS could determine that the Trust does not comply with the requirements of the Revenue Ruling. A determination that the Trust is not taxable as an investment trust that will be classified as a trust would likely have a significant adverse impact on any Holder who has purchased Interests as part of a Code Section 1031 exchange. See “Risk Factors – Tax Risks – Recent Form of Ownership.”

9. The Trust must be a passive owner of the Project in order to qualify as an investment trust that is classified as a trust for federal income tax purposes. Pursuant to the Master Lease, the Trust must pay for the Trust Obligations as set forth in the “Summary of the Offering.” Because the Trust is responsible for the Trust Obligations, it is possible that the Trust could be viewed as having the power to vary the investment of the Holders. In such case, the Trust would be viewed as a partnership and not as an investment trust and the Interests would not qualify as like-kind property for purposes of Code Section 1031. The Trust Agreement and the Master Lease restrict the ability of the Trust or the Master Tenant to take any action that would violate the provisions of the Revenue Ruling. See “Risk Factors – Risks Relating to the Trust Structure – Trust Operating Obligations.”

10. The Trust is responsible for debt service under the Loan and, pursuant to the Master Lease, the Trust is responsible for performing the Trust Obligations, some of which are variable expenses which could be higher than anticipated. The Trust may not have sufficient funds to pay for all of its obligations. In the event that the Trust is required to pay for a significant Trust Obligation that exceeds the available cash, it is likely that the Trust will not have sufficient funds to pay for such amount. The Trust will not be able to renegotiate or refinance the Loan or accept additional capital contributions from any person. As a result, the amount of funds available for distribution to the Holders will decrease, and the return to the Holders would be lower than as set forth in the Projections prepared by the Trust Manager. If the Trust does not have sufficient funds to pay for its obligations, it is likely that the Trust would be required to transfer the Project (or convert the Trust) to the Springing LLC and the Holders will lose their ability to participate in a Code Section 1031 exchange upon the sale or other disposition of the Project. See “Risk Factors – Risks Relating to the Trust Structure – Trust Payment Obligations.”

11. One of the facts that is set forth in the Revenue Ruling was that the lease entered into by the Delaware statutory trust was a net lease where the tenant was required to pay all taxes, assessments, fees and other charges, insurance, maintenance, ordinary repairs and utilities. It is not clear whether the Master Lease will qualify as a net lease for federal income tax purposes because the Master Lease requires the Trust to pay for the Trust Obligations. Thus, the structure of the Master Lease is not consistent with the factual assumptions set forth in the Revenue Ruling. If the Trust does not qualify as an investment trust, the Interests will not qualify as like-kind property for purposes of Code Section 1031. See “Risk Factors – Tax Risks – Compliance with the Revenue Ruling.”

12. The Project is subject to the Master Lease with the Master Tenant, an Affiliate of the Trust Manager. In addition, the Master Tenant entered into a property management agreement with the Property Manager, an Affiliate of the Trust Manager and the Master Tenant, to manage the day-to-day operations of the Project. Thus, the performance of the Project will be dependent on the Property Manager and the Master Tenant, and the Project will not have independent management. See “Risk Factors – Risks Relating to the Master Lease – Reliance on Management.”

13. The Loan documents provide that, upon an Event of Default under the Loan documents, the Lender will have the right to access the funds of the Master Tenant and apply such funds to amounts due and owing under the Loan documents. It is possible that the Lender will have the right to retain amounts in excess of the Master Tenant’s obligations under the Master Lease. If a loss sharing arrangement has been created between the Master Tenant and the Trust, the IRS could take the position that a partnership exists between the Trust and the Master Tenant. See “Risk Factors – Tax Risks – Partnership Classification - Lender Sweep Rights” and “Federal Income Tax Consequences.”

14. If a Master Lease Termination Event occurs, the Lender has the right to terminate or direct the Trust to terminate the Master Lease. Thus, certain actions by the Master Tenant could require the Trust to convert to a limited liability company which would cause the Holders to lose the ability to participate in a Code Section 1031 exchange upon the sale or other disposition of the Project. See “Risk Factors – Risks Relating to the Master Lease – Termination of the Master Lease.”

15. Counsel to the Trust has rendered an opinion that (i) after the effective date of the Conversion Notice, the Trust should be treated as an investment trust described in Treasury Regulations Section 301.7701-4(c)(1),

that is classified as a “trust” for federal income tax purposes and (ii) the Holders should be treated as owning an undivided beneficial interest in the Trust’s assets, including the Project, in proportion to their Interests for purposes of Code Section 1031. This opinion is based, in part, on a certificate received from the Trust Manager, the Master Tenant, the Depositor and CORE Pacific (the “Tax Certificate”) containing certain representations and certifications regarding certain factual matters related to the Loan documents, the Trust, the Master Lease and the Project. If these representations and certifications are not true, the conclusions set forth in counsel’s opinion may not be applicable. See “Risk Factors – Tax Risks – Tax Opinion Relies on Tax Certificate.”

16. The Trust Manager is an Affiliate of the Master Tenant. Therefore, there will be a conflict of interest with respect to the Trust Manager’s management of the Master Tenant on behalf of the Trust and the Master Tenant’s management of the Project. If the Master Tenant defaults under the Master Lease, the Trust Manager will have a conflict of interest regarding whether to pursue any remedies available to the Trust against the Master Tenant. The Trust Manager will have the right to renegotiate the terms of the Master Lease in the event the Master Tenant becomes insolvent or bankrupt without the approval of the Holders. In addition, in the event that the Project is transferred (or the Trust is converted) to the Springing LLC, the final terms of the Springing LLC operating agreement will be determined by the Trust Manager. The Holders do not have the authority to act on behalf of the Trust and only the Delaware Trustee has the power to replace the Trust Manager and may do so only in the case of the fraud, gross negligence or willful misconduct of the Trust Manager. See “Risk Factors – Risks Relating to the Trust Structure – Conflict of Interest Regarding Affiliated Trust Manager and Master Tenant.”

17. According to the Appraisal Report prepared by BBG, Inc. (“BBG”) dated December 14, 2021 (the “Appraisal”), which may be relied upon by the Trust, the “as-is” appraised market value of the Project as of November 16, 2021 was \$59,000,000. The Holders will purchase the Interests in the Trust based on an assumed Project value of \$64,387,444 (\$65,435,000 less the Trust Reserves (\$935,000) and the Lender held reserves in the amount of \$112,556). The Trust may not be able to sell the Project at a price equal to or greater than the purchase price paid by the Holders for the Interests. See “Risk Factors – Real Estate Risks – Appraised Value.”

18. An Interest only provides a Holder with a beneficial interest in the Trust. The only assets of the Trust are the Project and the Trust Reserves. Thus, an investment by a Holder will not be diversified. See “Risk Factors – Real Estate Risks – No Diversification.”

19. The Master Tenant is newly formed and has limited capital. The Master Tenant is capitalized with a \$500,000 demand promissory note and \$250,000 in cash, which was received by CORE Pacific as compensation pursuant to the Offering and contributed to the Master Tenant. Thus, a portion of the capital of the Master Tenant is in the form of a \$500,000 demand promissory note from CORE Pacific, which is guaranteed by certain Affiliates of CORE Pacific (“Guarantor Principals”). The lack of cash or any failure of CORE Pacific to fund the demand note could result in the Master Tenant’s default under the Master Lease. CORE Pacific and the Guarantor Principals each have limited capital and net worth. Any bankruptcy by the Master Tenant will affect the economic success of the Project and the ability of the Master Tenant to pay rent due to the Trust. CORE Pacific or the Guarantor Principals may, but will have no obligation to, fund payments due under the Master Lease from other operating sources. Holders should not have any expectation that either CORE Pacific or the Guarantor Principals will use other funds to make payments under the Master Lease on behalf of the Master Tenant. See “Risk Factors – Risks Relating to the Master Lease – Limited Capital of Master Tenant.”

20. All decisions regarding management and operation of the Trust and the Project will be made exclusively by the Trust Manager, and the Holders have no voting rights. The Trust Manager will not consult with the Holders when making any decisions with respect to the Project or the Trust, including with respect to the making of any distributions or the sale of the Project. Although the Trust Manager may poll the Holders with respect to a sale of the Project, the Trust Manager will not be under any obligation to consider the desire of the Holders with respect to any sale of the Project. Prospective Holders that purchase Interests must entrust all aspects of the management and operation of the Trust to the Trust Manager. See “Risk Factors – Risks Relating to the Trust Structure – Reliance on the Trust Manager and the Delaware Trustee; No Voting Rights; No Control Over Sale of the Project.”

21. The Trust may sell the Project after it has held the Project for 2 years upon the Trust Manager’s determination that a sale is appropriate. No opinion is being rendered as to whether the Trust will hold the Project for investment or primarily for sale. If it is determined that the Project is held primarily for sale, the Project will not qualify as replacement property under Code Section 1031 of the Internal Revenue Code of 1986, as amended (the

“Code”). See “Risk Factors – Tax Risks – Failure to Qualify for Code Section 1031” and “Federal Income Tax Consequences – Nature of Interests – Property Qualifying Under Code Section 1031.”

22. Amounts used to establish reserves or other items that are not attributable to the purchase of real estate will not be treated as an interest in real estate and will be treated as “boot” which may be taxable. The reserves of the Trust are approximately \$158.75 per Interest. Of this amount, \$141.67 is attributable to reserves funded by the Depositor, and will be “boot” which may be taxable. In addition, \$17.05 is attributable to reserves funded from Loan proceeds as a requirement of the Loan. It is possible that such amount, if sufficient additional Loan funds are allocated to the Holders in excess of the indebtedness of a Holder’s prior investment, may not be treated as “boot.” Further, the IRS could take the position that the increase in the purchase price of the Interests paid by the Holders, which includes loan fees and costs, over the cost to the Depositor would not be considered as an interest in real estate and may be treated as “boot” which may be taxable. In addition, to the extent that the portion of the debt allocated with the purchase of an Interest is less than the Holder’s debt on the property exchanged, such difference will constitute “boot” and may be taxable depending on the Holder’s basis in the property exchanged. The Tax Cuts and Jobs Act (the “TCJA”) eliminated the ability to enter into like-kind exchanges under Code Section 1031 for any asset other than real estate. Consequently, Code Section 1031 will not apply, and such amounts will be treated as “boot,” to the extent a Holder is disposing of property that does not qualify as real estate or to the extent the Project consists of property other than real estate. The Trust acquired certain personal property in connection with the purchase of the Project. The Trust Manager has not valued such personal property. In the event any item is determined to be “boot,” the taxpayer will have current income for any such “boot” up to the amount of gain on the exchange of the real property. See “Risk Factors – Tax Risks – Taxable Boot.”

23. The Project is leveraged with a loan-to-purchase price ratio of approximately 50.37% ($\$32,435,000 \div \$64,387,444$ ($\$65,435,000$ gross price minus the Trust Reserves ($\$935,000$) and the Lender held reserves in the amount of $\$112,556$)), based on the purchase price for the Interests paid by the Holders, less the reserves. The loan-to-purchase price ratio is approximately 49.57% if the reserves are included in the Holder purchase price ($\$32,435,000 \div \$65,435,000$). The loan-to-cost ratio is approximately 56.66% ($\$32,435,000 \div \$57,250,000$) based on the purchase price of the Project pursuant to the Acquisition Agreement. See “Risk Factors – Financing Risks – Leverage.”

24. The Loan has a 10-year term and requires a balloon payment at the end of its term. The Trust is not permitted to refinance the Loan. Thus, the Project will have to be sold or transferred (or the Trust converted) to the Springing LLC if alternative financing is necessary. It is currently anticipated that the Trust will own and operate the Project for approximately 10 years. The Trust will terminate on March 31, 2032. If the Project is not sold or if the Project is transferred (or the Trust is converted) to the Springing LLC and is unable to be refinanced, the continued ownership of the Project by the Trust may be jeopardized. Relative to historical interest rates, current interest rates are low and, as a result, it is likely that the interest rate that will be obtained upon refinancing (in the event that the Project is transferred (or the Trust is converted) to the Springing LLC) will be higher than that of the Loan. See “Risk Factors – Financing Risks – No Ability to Refinance Loan.”

25. The Loan is interest only for the entire 10-year term. Thus, no principal will be repaid during this interest only period. See “Risk Factors – Financing Risks – Interest Only Loan.”

26. There are risks associated with the operation of rental property, including, but not limited to, vacillations in demand, competition from other properties, risk of loss or damage to the improvements, the ability to maintain or increase lease rates and other risks associated with the ownership of real estate. See “Risk Factors – Real Estate Risks.”

27. The Trust did not obtain audited results of historical operations for the Project in connection with its review of the acquisition of the Project and relied only on unaudited financial information provided by the Seller. Consequently, there is less certainty regarding the prior economic operating history of the Project. See “Risk Factors – Real Estate Risks – Unaudited Results of Operations.”

28. The Project is located in an area where there are several competing multifamily properties located in the Project’s market area. According to the Appraisal, there are 5 multifamily properties that currently compete with the Project, all of which are within approximately 1 mile of the Project. The proximity of competing properties

in the area surrounding the Project could negatively impact the Project. See “Risk Factors – Real Estate Risks – Competition.”

29. The Project is part of 2 property associations. The Trust does not control the associations. Thus, the Trust will depend on the associations for the maintenance of the common areas. The Trust is responsible for paying periodic assessments and any special assessments imposed by the property associations. The Project is subject to additional restrictions and covenants. See “Risk Factors – Real Estate Risks – Easements, Restrictions, Encroachments and Agreements” and “Risk Factors – Real Estate Risks – Limited Power over the Associations.”

30. The Depositor, the Trust Manager and their Affiliates will be subject to certain conflicts of interest and will receive substantial compensation in connection with the Offering. See “Conflicts of Interest” and “Compensation to the Depositor, the Trust Manager, the Master Tenant and Their Affiliates.”

31. The Project is subject to the Master Lease for the entire property. It may be difficult for the Trust to replace the Master Tenant if there is a default under the Master Lease. See “Risk Factors – Risks Relating to the Trust Structure – Need to Master Lease Property.”

32. The Trust acquired the Project “as is,” “where is,” “with all faults,” and with limited representations and warranties from the Seller, including with respect to environmental matters, the existence of hazardous materials, or matters affecting the condition, use or ownership of the Project. The Seller’s representations and warranties contained in the Acquisition Agreement will survive for a period of 1 year following the purchase of the Project. The Trust will sell Interests to the Holders “as is” with no representations or warranties, including with respect to environmental matters, the existence of hazardous materials, or matters affecting the condition, use and ownership of the Project. As a result, if defects in the Project or other matters adversely affecting the Project are discovered, the Holders may not be able to pursue a claim for any or all of their damages against the Seller, the Depositor or the Trust. See “Risk Factors – Real Estate Risks – Environmental Liability” and “Risk Factors – Real Estate Risks – Limited Representations and Warranties.”

33. There is no assurance that all of the Interests will be sold. If less than the Maximum Offering Amount is sold in the Offering, any Class B beneficial interests held by the Depositor on the Offering Termination Date will be converted to Interests and the ownership of such Interests will be held by an entity that is not, for federal income tax purposes, affiliated with the Master Tenant. However, it is anticipated that such entity would be controlled by an Affiliate of the Trust Manager. The Depositor or its Affiliates may have an incentive to sell the Project prior to the projected holding period which will result in a potential conflict of interest for the Trust Manager. See “Risk Factors – Risks Relating to Offering and Lack of Liquidity – Interests Retained by an Entity Controlled by the Depositor or an Affiliate.”

34. The two principals that formed CORE Pacific previously formed CORE Realty Holdings, LLC (“CRH”) in 2005. Between 2005 and 2008, CRH sponsored a number of other real estate programs. None of the CRH real estate programs met the income and distribution levels anticipated in the projections for such programs and investors in several of the programs lost all or a significant portion of their original investment. In addition, CRH has defaulted on its obligations to pay several series of debentures. See “Prior Performance Summary” for a summary of prior programs and their performance. There can be no assurance the Trust will meet the objectives set forth herein. See “Risk Factors – Risks Relating to Offering and Lack of Liquidity – Prior Programs Sponsored by Affiliates of the Trust Manager.”

35. Each Holder will be subject to state and local taxes in the state where the Project is located and where the Holder and its principals reside. Certain states do not follow federal rules with respect to tax-deferred exchanges and it is not clear whether all states will treat the Trust as an investment trust. Further, certain state taxing agencies, including the California State Franchise Tax Board, are aggressively auditing tax-deferred exchange transactions. This Memorandum does not analyze or discuss state or local tax consequences. Each prospective Holder should consult with their own tax advisor regarding the tax consequences of the purchase of an Interest in the state where they reside and the state in which the Project is located. See “Risk Factors – Tax Risks – State Taxes.”

36. The Loan documents provide that the Lender will institute a sweep of the cash generated from the Project upon the occurrence and continuation of an Event of Default under the Loan documents. As a result, the Lender will require that all amounts received by the Trust be deposited into a cash management account and applied

to the Loan and other items such as taxes and insurance premiums. In such case, the Trust may not have sufficient funds to pay its operational costs, distributions to the Holders will be reduced or will cease, and the Trust may be required to transfer its assets to the Springing LLC. See “Risk Factors – Financing Risks – Cash Sweep” and “Financing – Cash Sweep.”

37. The TCJA and the Coronavirus Aid, Relief, and Economic Security Act of 2020 include significant provisions that change the tax treatment of owning and operating real estate. See “Risk Factors – Tax Risks – Changes in Federal Income Tax Law” and “Federal Income Tax Consequences.”

The purchase of an Interest is suitable only for Accredited Investors who have no need for liquidity in their investment. See “Who May Invest.” You should carefully consider the following before investing:

1. The contents of this Memorandum are not to be construed as legal or tax advice. Prospective Holders should consult their own counsel, accountant or business advisor as to legal, tax and related matters concerning their investment.

2. The Interests may be offered and sold only to prospective Holders who meet the Purchaser Suitability Requirements set forth under “Who May Invest” in this Memorandum.

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

4. Projected financial results prepared by the Trust are contained in this Memorandum. Any projections, predictions and representations, written or oral, which do not conform to those contained in this Memorandum should be disregarded, and their use is a violation of the law. The Projections contained herein are based upon specified assumptions. If these assumptions are incorrect, the Projections likewise would be incorrect. No assurance can be given that the estimates, opinions or assumptions made herein will prove to be accurate. The assumptions set forth in the Projections should be closely reviewed.

5. This Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such an offer or solicitation is not authorized. In addition, this Memorandum constitutes an offer only if the name of an offeree in the Trust’s or the Selling Group Member’s records matches the copy number that appears in the appropriate space on the first page of this cover page and is an offer only to such offeree.

6. This Memorandum has been prepared solely for the benefit of persons interested in the proposed private placement of the Interests offered hereby, and any reproduction or distribution of this Memorandum, in whole or in part, or the disclosure of any of its contents without the prior written consent of the Trust, is prohibited. By accepting delivery of this Memorandum, each prospective Holder agrees to return this Memorandum and all documents furnished herewith to the Trust or its representatives upon request if such prospective Holder does not purchase an Interest or if the Offering is withdrawn or terminated.

7. Prospective Holders may be accepted or rejected by the Trust at any time within 30 days after the prospective Holder delivers to the Trust the prospective Holder’s Purchase Agreement and Purchaser Questionnaire. The Trust may reject a prospective Holder’s Purchaser Questionnaire or Purchase Agreement for any reason. Purchase Agreements will be rejected for failure to conform to the requirements of the Offering or such other reasons as the Trust may determine to be in the best interests of the Trust. Purchase Agreements may not be revoked, canceled or terminated by the prospective Holders, except as therein provided.

8. The Offering is made exclusively by this Memorandum. This Memorandum contains a summary of certain provisions of the Trust Agreement and the Master Lease, but only the Trust Agreement and the Master Lease contain complete information concerning the rights and obligations of the parties thereto. This Memorandum contains summaries of certain other documents, which summaries are believed to be accurate, but reference is hereby made to the actual documents for complete information concerning the rights and obligations of the parties thereto.

Such information necessarily incorporates significant assumptions, as well as factual matters. All documents relating to this investment and related documents and agreements will be made available to prospective Holders or their advisors upon request to the Trust.

9. During the course of the Offering and prior to sale, prospective Holders are invited to ask questions of and obtain additional information from the Trust concerning the terms and conditions of the Offering, the Trust, the Depositor, the Trust Manager, the Master Tenant, the Interests and any other relevant matters, including, but not limited to, additional information to verify the accuracy of the information set forth in this Memorandum. The Trust will provide such information to the extent it possesses it or can acquire it without unreasonable effort or expense.

10. The Interests are being offered by the Trust subject to (i) the prior sale of the Interests, (ii) the receipt and acceptance by the Trust of the relevant Purchase Agreement, (iii) the right of the Trust to reject any Purchase Agreement in whole or in part, (iv) the withdrawal, cancellation or modification of the Offering without notice to prospective Holders and (v) certain other conditions.

11. Because the Interests are not registered under the Securities Act or the securities laws of any state, Holders must hold them indefinitely unless they are registered or qualified under the Securities Act and any applicable state securities laws or unless an exemption from such registration and qualification is available. No public market exists for the Interests, and it is highly unlikely that any such market will develop.

12. The price for the Interests has been arbitrarily determined and is not the result of an arm's length negotiation.

13. The Trust will maintain a list of states where the Interests may be offered and sold.

The securities offered hereby have not been registered under the Securities Act or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such laws. The securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under said act and such laws pursuant to registration or exemption therefrom. In addition, certain disclosure requirements which would have been applicable if the Interests were registered are not required to be met and neither the Securities and Exchange Commission nor any other federal or state agency has passed upon the merits of or given their approval to the securities, the terms of the Offering or the accuracy or completeness of any offering materials. The Interests are being sold only to persons who are Accredited Investors as defined under Regulation D under the Securities Act.

In making an investment decision, prospective Holders must rely on their own examination of the person or entity creating the securities and the terms of the Offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority.

The Securities Act and the securities laws of certain jurisdictions grant purchasers of securities sold in violation of the registration or qualification provisions of such laws the right to rescind their purchase of such securities and to receive back their consideration paid. The Trust believes that the Offering described in this Memorandum is not required to be registered or qualified. Many of these laws granting the right of rescission also provide that suits for such violations must be brought within a specified time, usually 1 year from discovery of facts constituting such violation. Should any Holder institute such an action on the theory that the Offering conducted as described herein was required to be registered or qualified, the Trust will contend that the contents of this Memorandum constituted notice of the facts constituting such violation.

No person has been authorized to give any information or make any representations other than those set forth in this Memorandum, and, if given or made, such information or representations must not be relied upon as having been given by the Trust, the Trust Manager or their Affiliates.

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

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

Neither the information contained herein nor any prior, contemporaneous or subsequent communication should be construed by you as legal or tax advice. You should consult your own legal and tax advisors to ascertain the merits and risks of an investment in Interests before investing.

NOTICE TO FLORIDA RESIDENTS

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON AN EXEMPTION CONTAINED THEREIN. UNDER FLORIDA LAW, IF SECURITIES ARE SOLD TO FIVE OR MORE FLORIDA RESIDENTS, SUCH INVESTORS WILL HAVE A THREE-DAY RIGHT OF RESCISSION. INVESTORS WHO HAVE EXECUTED A PURCHASE AGREEMENT MAY ELECT, WITHIN THREE BUSINESS DAYS AFTER THE FIRST TENDER OF CONSIDERATION THEREFORE, TO WITHDRAW THEIR PURCHASE AGREEMENT AND RECEIVE A FULL REFUND OF ANY MONEY PAID BY THEM. SUCH WITHDRAWAL WILL BE WITHOUT ANY LIABILITY TO ANY PERSON. TO ACCOMPLISH SUCH WITHDRAWAL, THE WITHDRAWING INVESTOR MUST (i) PROVIDE WRITTEN NOTICE TO THE TRUST INDICATING THE INVESTOR'S DESIRE TO WITHDRAW AND (ii) NOT BE A BANK, A TRUST COMPANY, A SAVINGS INSTITUTION, AN INSURANCE COMPANY, A DEALER, AN INVESTMENT COMPANY, A PENSION OR PROFIT-SHARING TRUST, OR A QUALIFIED INSTITUTIONAL BUYER. THE WRITTEN NOTICE MUST BE SENT AND POSTMARKED PRIOR TO THE END OF THE THIRD BUSINESS DAY AFTER THE FIRST TENDER OF CONSIDERATION FOR THE SECURITIES PURCHASED. NOTICE LETTERS SHOULD BE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND TO EVIDENCE THE TIME WHEN IT IS MAILED. ANY ORAL REQUESTS FOR RESCISSION SHOULD BE ACCOMPANIED BY A REQUEST FOR WRITTEN CONFIRMATION FROM THE TRUST THAT THE ORAL REQUEST WAS RECEIVED ON A TIMELY BASIS.

NOTICE TO PENNSYLVANIA RESIDENTS

EACH PURCHASER WHO IS A PENNSYLVANIA RESIDENT HAS THE RIGHT TO CANCEL AND WITHDRAW ITS PURCHASE AGREEMENT AND ITS PURCHASE OF SECURITIES THEREUNDER, UPON WRITTEN NOTICE TO THE TRUST GIVEN WITHIN TWO BUSINESS DAYS FOLLOWING THE RECEIPT BY THE TRUST OF ITS EXECUTED PURCHASE AGREEMENT. ANY LETTER OR TELEGRAM NOTICE SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED SECOND BUSINESS DAY. IF YOU ARE SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME WHEN IT WAS MAILED. IF YOU MAKE THE REQUEST ORALLY, YOU SHOULD ASK FOR WRITTEN CONFIRMATION FROM THE TRUST THAT YOUR REQUEST HAS BEEN RECEIVED. UPON SUCH CANCELLATION OR WITHDRAWAL, THE PURCHASER WILL HAVE NO OBLIGATION OR DUTY UNDER THE PURCHASE AGREEMENT TO THE TRUST OR ANY OTHER PERSON AND WILL BE ENTITLED TO THE FULL RETURN OF ANY AMOUNT PAID BY IT, WITHOUT INTEREST. NEITHER THE PENNSYLVANIA SECURITIES COMMISSION NOR ANY OTHER AGENCY PASSED ON OR ENDORSED THE MERITS OF THE OFFERING, AND ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON.

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WHO MAY INVEST

The offer and sale of the Interests are being made in reliance on an exemption from the registration requirements of the Securities Act. Accordingly, distribution of this Memorandum has been strictly limited to prospective Holders who meet the requirements and make the representations set forth below. The Trust reserves the right to declare any prospective Holder ineligible to purchase an Interest based on any information that may become known or available to the Trust concerning the suitability of such prospective Holder or for any other reason.

Purchaser Suitability Requirements

The purchase of an Interest 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. This investment will be sold only to prospective Holders who (i) purchase a minimum of (a) for cash purchasers, 5 Interests in the Trust (representing an approximate 0.0757576% interest in the Project) for a purchase price of \$25,000 (the purchase of 5 Interests also includes an allocation of 0.0757576% of the Loan (\$24,571.97)) or (b) for Code Section 1031 exchange purchasers, 20 Interests in the Trust (representing an approximate 0.3030303% interest in the Project) for a purchase price of \$100,000 (the purchase of 20 Interests also includes an allocation of 0.3030303% of the Loan (\$98,287.88)), except that the Trust may permit, in its sole discretion, certain Holders to make a smaller investment and (ii) represent in writing that they meet the Purchaser Suitability Requirements (as defined below) established by the Trust and as may be required under federal or state law. Holders should be able to afford the loss of their entire investment.

As a prospective Holder, you must represent in writing that you meet, among others, all of the following requirements (the “Purchaser Suitability Requirements”):

- (a) You have received, read and fully understand this Memorandum. You are basing your decision to invest only on this Memorandum. You have not relied upon any representations made elsewhere or by any other person;
- (b) You understand that an investment in an Interest is speculative and involves substantial risks and you are fully cognizant of and understand all of the risks relating to a purchase of an Interest, including, but not limited to, those risks set forth under “Risk Factors” in this Memorandum;
- (c) Your overall commitment to investments that are not readily marketable is not disproportionate to your individual net worth, and your investment in an Interest will not cause such overall commitment to become excessive;
- (d) You have adequate means of providing for your financial requirements, both current and anticipated, and have no need for liquidity in this investment;
- (e) You can bear and are willing to accept the economic risk of losing your entire investment in an Interest;
- (f) You are acquiring an Interest for your own account and for investment purposes only and have no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of the Interest;
- (g) You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of an investment in an Interest and have the ability to protect your own interests in connection with such investment; and
- (h) You are an Accredited Investor. An “Accredited Investor” is:

If a natural person, a person that:

- (i) has an individual net worth, or joint net worth with his or her spouse or spousal equivalent, of more than \$1,000,000 exclusive of the value of his or her primary residence;

- (ii) had an individual income of more than \$200,000, or joint income with his or her spouse or spousal equivalent in excess of \$300,000, in each of the 2 most recent years and has a reasonable expectation of reaching the same income level in the current year; or
- (iii) holds, in good standing, 1 or more professional certifications or designations or credentials from an accredited educational institution that the SEC has designated as qualifying an individual for accredited investor status and which the SEC has posted as qualifying hereunder.

If not a natural person, 1 of the following:

- (i) a corporation, an organization described in Internal Revenue Code of 1986, as amended (the “Code”) Section 501(c)(3), a Massachusetts or similar business trust, a partnership or a limited liability company, 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 he or she is capable of evaluating the merits and risks of an investment in Interests;
- (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”) or a business development company as defined in section 2(a)(48) of the Investment Company Act;
- (v) an investment adviser registered pursuant to section 203 of the Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”) or registered pursuant to the laws of a state;
- (vi) an investment advisor relying on the exemption from registering with the SEC under section 203(l) or (m) of the Investment Company Act;
- (vii) an insurance company as defined in section 2(a)(13) of the Securities Act;
- (viii) 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;
- (ix) a private business development company as defined in section 202(a)(22) of the Investment Advisers Act;
- (x) a bank as defined in section 3(a)(2) of the Securities Act, or any savings and loan association or other institution defined in section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;
- (xi) a Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act;
- (xii) an entity, of a type not listed above, not formed for the specific purpose of acquiring an Interest, owning investments in excess of \$5,000,000;
- (xiii) a “family office” as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act (a) with assets under management in excess of \$5,000,000, (b) that is not formed for the specific purpose of acquiring the securities offered and (c) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment;

- (xiv) a “family client” as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act, of a family office meeting the requirements in (xiii) above and whose prospective investment in the issuer is directed by such family office pursuant to (xiii)(c); or
- (xv) an entity in which all of the equity owners are Accredited Investors.

In addition, the SEC has issued certain no action letters and interpretations in which it deemed certain trusts to be Accredited Investors, such as trusts where the trustee is a bank as defined in section 3(a)(2) of the Securities Act and revocable grantor trusts established by individuals who meet the requirements of clauses (i) or (ii) of the first sentence of this paragraph (h). However, these no-action letters and interpretations are very fact specific and should not be relied upon without close consideration of your unique facts.

For purposes of determining the “net worth” of a natural person, 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 be excluded, except in the event such indebtedness increased in the 60 days preceding the purchase of the Interest 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.

For purpose of determining the joint “net worth” of natural persons, joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent; assets need not be held jointly to be included in the calculation. Reliance on the joint net worth standard described herein does not require that the securities be purchased jointly.

For purpose of determining “investments” for (xiii) above, investments is defined in rule 2a51-1(b) under the Investment Company Act.

For purposes of determining whether a natural person is an Accredited Investor, a “spousal equivalent” means a cohabitant occupying a relationship generally equivalent to that of a spouse.

For purposes of determining whether a natural person is an Accredited Investor, the SEC has posted the following qualifying professional certifications, as of the date of this Memorandum: holders in good standing of FINRA Series 7, Series 65, and Series 82 licenses.

In addition, you must represent in writing that you:

(i) understand that the tax consequences of an investment in an Interest, especially the treatment of the transaction under Code Section 1031 and the related “1031 exchange” rules, are complex and vary with the facts and circumstances of each individual Holder, (ii) understand and are aware that there are substantial uncertainties regarding the treatment of an Interest as real estate for income tax purposes, (iii) have read this entire Memorandum (including any supplements thereto) and fully understand that there is a significant risk that an Interest will not be treated as real estate for income tax purposes, (iv) if you are engaging in a tax-deferred exchange under Code Section 1031, you have independently obtained advice from your legal counsel and/or accountant regarding such tax-deferred exchange, including, without limitation, whether the acquisition of an Interest may qualify as part of a tax-deferred exchange, (v) understand that the Trust will not obtain a ruling from the IRS that an Interest will be treated as an undivided interest in real estate for federal income tax purposes and (vi) understand that the opinion of counsel is only counsel’s view of the anticipated tax treatment and that there is no guaranty that the IRS will agree with such opinion.

Additional representations of each Holder are set forth in the Trust Agreement.

The Trust will not accept any foreign investors or pension plans as investors in the Trust.

Discretion of the Trust

The Purchaser Suitability Requirements stated above represent minimum suitability requirements, as established by the Trust for Holders. Accordingly, the satisfaction of the Purchaser Suitability Requirements by a prospective Holder will not necessarily mean that the Interests are a suitable investment for such prospective Holder, or that the Trust will accept the prospective Holder as a purchaser of an Interest. Furthermore, the Trust may modify such requirements in its sole discretion, and any such modification may raise the suitability requirements for Holders.

The written representations made by a prospective Holder will be reviewed to determine the suitability of each prospective Holder. The Trust will have the right to refuse a purchase for an Interest for any reason, including, but not limited to, if it believes that a prospective Holder does not meet the applicable Purchaser Suitability Requirements, or the Interests otherwise constitute an unsuitable investment for such prospective Holder.

SUMMARY OF THE OFFERING

The following material is intended to provide selected limited information about the Trust, the Project and the Offering and should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum.

Prospective Holders are urged to read this entire Memorandum before investing in an Interest. This Memorandum contains forward-looking statements that involve risks and uncertainties. The Project's actual results and the Trust's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed under "Risk Factors."

Securities Offered:

The Trust is offering up to 6,600 Class A Beneficial Interests (the "Interests") in the Trust. The Interests will not be evidenced by certificates. The purchase price for an Interest in the Trust is \$5,000 in cash. Each prospective Holder must purchase at least 5 Interests in the Trust (a \$25,000 equity investment) if the prospective Holder is an all cash purchaser or at least 20 Interests in the Trust (a \$100,000 equity investment) if the prospective Holder is a Code Section 1031 exchange purchaser, unless a smaller investment is allowed in the sole discretion of the Trust. The purchase of 5 Interests in the Trust also includes an allocation of 0.0757576% of the Loan (\$24,571.97). The purchase of 20 Interests in the Trust also includes an allocation of 0.3030303% of the Loan (\$98,287.88).

The Trust – Objectives:

The principal objectives of the Trust will be to (i) distribute to the Holders rent, after payment of debt service and expenses, at levels beginning at 4.18% and increasing to 5.95% of the purchase price paid by the Holders for the Interests during the first 10 years of ownership, and (ii) prepare the Project to be sold in approximately 10 years. **There can be no assurance that any of these objectives will be achieved.** See "Risk Factors."

The Trust – Formation and Ownership:

The Trust is a newly formed Delaware statutory trust formed pursuant to a trust agreement dated November 22, 2021 by and between the Depositor and the Delaware Trustee. The Trust has no prior operating history. The Depositor, the Trust Manager and the Delaware Trustee entered into the Amended and Restated Trust Agreement (the "Trust Agreement") at the time that the Trust acquired the Project and entered into the Loan. The Depositor deposited into the Trust (i) \$24,927,556 for the acquisition of the Project and (ii) \$900,000 of operating reserves (the "Operating Reserves") and a \$35,000 reimbursement reserve (the "Reimbursement Reserve" and together with the Operating Reserves, referred to collectively as the "Trust Reserves"), in exchange for 6,600 Class B beneficial interests in the Trust representing all of the beneficial interests in the Trust. Proceeds from the Offering will be used to redeem, on a one-for-one basis, the Class B beneficial interests in the Trust held by the Depositor. If the Maximum Offering Amount is sold, the Trust will be owned 100% by the Holders. If the Maximum Offering Amount is not raised on or before the Offering Termination Date, the Depositor will convert any Class B beneficial interests held at the time of the Offering Termination Date to Interests and transfer such interests to a newly formed, separate taxpayer which is managed by the Trust Manager or an Affiliate. Pursuant to the Trust Agreement, there can be no more than 480 Holders.

Use of Proceeds:

The Offering of 6,600 Interests as set forth in this Memorandum is being made to redeem the Depositor's beneficial interest in the Trust.

Description of the Project:

On December 30, 2021, the Trust acquired a 299-unit apartment community known as The Maywood Apartments located at 425 N. Oklahoma Avenue, Oklahoma City, Oklahoma. The Project is situated on approximately 2.13 acres and consists of two 4-story residential buildings, each with a 2-level below grade

parking garage, and approximately 8,150 square feet of ground floor commercial space. The Maywood I building was completed in 2014 and the Maywood II building was completed in 2016. The Project offers a diverse mix of 1-, 2- and 3-bedroom units with an average size of 845 square feet. The Project offers a wide range of amenities including a swimming pool, fitness center, clubhouse with kitchen and terrace, media/game room and business center. According to the ALTA/NSPS Survey prepared by Taylor Dennison for the Lender dated December 29, 2021 (the "Survey"), which may be relied on by the Trust, the Project has a total of 485 parking spaces including 14 handicap spaces in the parking garages. According to the Rent Roll dated as of January 24, 2022 (the "Rent Roll"), the Project is leased at an occupancy rate of approximately 91.1%. See "Description of the Project."

Closing Arrangements:

Each prospective Holder will be required to return to the Trust a Purchaser Questionnaire (attached as Exhibit A), Purchase Agreement (attached as Exhibit B) and signature to the Trust Agreement (attached as Exhibit C). Prospective Holders may be accepted or rejected by the Trust at any time within 30 days of receipt of the foregoing documents. Funds for the purchase of Interests will be deposited with the Trust upon acceptance of the prospective Holder by the Trust.

No purchase requests for Interests will be closed unless and until the effective date of the Conversion Notice (as defined in the Trust Agreement) that the Trust has been converted into an investment trust. Prospective Holders who are subject to the approval of the Lender, if any, may be accepted or rejected by the Lender at any time before the close of the purchase. There can be no assurances that the Lender, if Lender approval is required, will approve any such prospective Holder in a timely manner or at all. Prospective Holders cannot acquire the Interests if the Trust (or, if applicable, the Lender) does not approve such purchase. If approved by the Trust (and, if applicable, the Lender), the Holder must deliver the full amount of the purchase price for the Interests at the close of the purchase of the interest and satisfy certain other closing conditions set forth in the Purchase Agreement in order to be admitted to the Trust.

All funds for the purchase of an Interest will either (i) be received in trust by such prospective Holder's registered representative, who is required to promptly deposit such funds into the Escrow Bank or (ii) be directly deposited into the Escrow Bank. The Escrow Bank will hold the funds in escrow until directed by the Trust to release such funds for the closing of the purchase of the Interests by the Holders. Within a reasonable time after closing the purchase of the Interests by a Holder, a confirmation statement reflecting the Interests purchased will be delivered to each Holder. See "Plan of Distribution."

Voting Rights of the Holders:

The Holders have no voting rights. Pursuant to the Trust Agreement, the Trust Manager may, but will have no obligation to, poll the Holders with respect to the sale of the Project. The Trust Manager is under no obligation to consider the vote of the Holders when determining whether to sell the Project.

The Trust – Delaware Trustee:

Delaware Trust Company, a Delaware corporation, an unaffiliated third party, is the Delaware Trustee pursuant to the Trust Agreement. The Delaware Trustee will receive, from the Trust's cash from operations or from Offering Proceeds, an initial set-up fee of \$500 and an annual fee of \$1,500 for its services as Delaware Trustee. See "Summary of the Trust Agreement."

The Trust – Trust Manager:

CP Maywood Apartments Manager, LLC, a Delaware limited liability company, is the Trust Manager. The Trust Manager is an Affiliate of the Depositor and the Master Tenant. The Trust Manager is obligated to manage the Trust in the

manner provided in the Trust Agreement. The Trust Manager will receive an annual fee, payable in equal monthly installments, of \$40,000 in year 1 and \$41,000 in year 2, and for each year thereafter, the fee will increase by 3% annually. See “Summary of the Trust Agreement” and “Compensation to the Depositor, the Trust Manager, the Master Tenant and Their Affiliates.”

The Trust – No Control Over Sale:

Subject to the terms of the Trust Agreement and the Loan documents, the Trust can only sell the Project 2 or more years after the purchase of the Project by the Trust if the Trust Manager determines that it is appropriate to do so; provided, however, the Trust may sell the Project before 2 years if the Trust Manager has made a determination, in its sole discretion, that an event has occurred which could significantly and adversely affect the Project, including, but not limited to, condemnation or casualty, which was not contemplated at the time the Trust acquired the Project. In the event that any purchaser of the Project is affiliated with the Trust Manager, the Trust must obtain an independent third-party appraisal of the Project and the purchase price of each Project must equal or exceed the appraised value of each Project.

Dissolution of the Trust – Conversion:

The Trust will terminate and dissolve, and distribute all of its assets to the Holders, in accordance with the Trust Agreement, on the first to occur of (i) March 31, 2032, (ii) a Transfer Distribution (as defined below) or (iii) the sale of the Project. A “Transfer Distribution” will occur if (a) the Trust Manager makes a determination, in writing, that dissolution is necessary and appropriate because one of the following occurs: (i) the Master Tenant has failed to timely pay rent due under the Master Lease after expiration of the applicable notice and cure periods in the Master Lease (and the Trust is prohibited from taking actions that would remedy the situation), (ii) the Project is in jeopardy of being lost due to a default under the Loan (and the Trust is prohibited from taking actions that would remedy the situation), (iii) the Master Tenant files for bankruptcy, seeks appointment of a receiver, makes an assignment for the benefit of its creditors or there occurs any similar event, (iv) all or any portion of the Trust Estate becomes subject to a casualty, condemnation or similar event or (v) the Trust Manager determines it is necessary to take a Prohibited Action (as defined below) in order to avoid the loss or potential loss of all or a portion of the Trust Estate or its value or (b) upon the occurrence of a Master Lease Termination Event. In the event that the Trust Manager determines that dissolution of the Trust is necessary and appropriate because of a Transfer Distribution, the Trust Manager will transfer title to the Project (or convert the Trust) to a newly formed Delaware limited liability company (the “Springing LLC”), which will be owned by the owners of Class A Beneficial Interests in the Trust at the time of conversion and will be managed by the Trust Manager.

The Trust may not take any of the following actions (collectively, the “Prohibited Actions”): (i) sell, transfer or exchange the Project except as required or permitted under the Trust Agreement, (ii) invest or reinvest any cash held by the Trust (including reserves) in anything other than short-term obligations of, or guaranteed by, the United States or any agency or instrumentality thereof, and certificates of deposit or interest-bearing bank accounts with a bank or trust company having a minimum stated capital and surplus of \$100,000,000, (iii) reinvest any monies of the Trust except to make minor nonstructural modifications or repairs to the Project as permitted under the Trust Agreement, (iv) reinvest the proceeds from the sale of the Project, (v) renegotiate or refinance the Loan, except in the case of the Master Tenant’s bankruptcy or insolvency, (vi) renegotiate, alter or extend the Master Lease, or enter into a new lease, except in the case of the Master Tenant’s bankruptcy or insolvency, (vii) make any modifications to the Project other than minor nonstructural modifications or as required by law, (viii) accept any capital

contributions from any owner or other person (other than from the sale of the Interests which amounts are distributed to the Depositor) or (ix) take 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, if the effect of the action would be to create a power under the Trust Agreement to “vary the investment of the certificate holders” under Treasury Regulations Section 301.7701-4(c)(1) and the Revenue Ruling.

If the Project is transferred (or the Trust is converted) to the Springing LLC, the Holders will lose their ability to participate in a Code Section 1031 exchange upon the sale or other disposition of the Project.

Conversion – Business and Purpose of the Springing LLC:

The Springing LLC will be formed to hold the Project upon a Transfer Distribution. If the Springing LLC is formed, the Holders will own 100% of the membership interests in the Springing LLC. The Springing LLC will be managed by the Trust Manager. Until the Loan is paid in full, certain additional restrictions may apply to the Springing LLC. See “Summary of the Trust Agreement” and “Summary of the Springing LLC Limited Liability Company Agreement.”

Acquisition Terms:

The Trust acquired the Project from the Seller on December 30, 2021. The Depositor deposited into the Trust (i) \$24,927,556 for the acquisition of the Project and (ii) the Trust Reserves in exchange for 6,600 Class B beneficial interests in the Trust. The Trust will redeem all of the Class B beneficial interests held by the Depositor for \$33,000,000 which is greater than the amount contributed by the Depositor for all of the Class B beneficial interests in the Trust (\$25,862,556). The Depositor is responsible for paying certain costs and expenses including: (i) Selling Commissions and Expenses of approximately \$2,970,000, (ii) organization and offering costs of approximately \$247,500, (iii) closing costs of approximately \$452,024, (iv) due diligence costs and expenses of approximately \$50,000, (v) carrying costs of approximately \$660,000, (vi) Lender and Loan expenses of approximately \$965,420 (a portion of which will be paid to a principal of CORE Pacific Advisors, LLC (“CORE Pacific”)) and (vii) a real estate finder’s fee of \$572,500. The estimates of these costs and expenses are based on certain assumptions made by the Depositor. Depending on the length of the Offering and the number of Holders, the actual amount of these costs and expenses may be greater or less than estimated. If actual costs and expenses are less than estimated, the additional amount will be retained by the Depositor. If actual costs and expenses are more than estimated, the Depositor will be required to pay for the excess amount. The Depositor estimates that the amount retained by it from the proceeds of the Offering (the “Offering Proceeds”) after paying the costs and expenses described above will be approximately \$1,220,000. Of this amount, the Depositor distributed \$250,000 to CORE Pacific, its sole member, to capitalize and establish reserves for the Master Tenant (which reserves will be retained by the Master Tenant to the extent not used). The net amount retained by the Depositor from Offering Proceeds, after funding the Master Tenant and payment of the costs and expenses described above, will be approximately \$970,000. The Depositor and its Affiliates will receive additional compensation. See “Compensation to the Depositor, the Trust Manager, the Master Tenant and Their Affiliates” and “Estimated Use of Proceeds.”

Project – Financing:

The Trust obtained a loan to acquire the Project in the original principal amount of \$32,435,000 (the “Loan”) from Arbor Commercial Funding I, LLC (the “Lender”) under the Fannie Mae DUS Loan Program. The Loan bears interest at a rate equal to 3.345% and has a 10 year term. The Loan will be interest only for the entire 10-year term. The Loan may be repaid in full (but not in part) but

is subject to a yield maintenance payment during the first 9.5 years of the Loan term. For the 3 months following such time, the Loan may be repaid upon payment of a 1% prepayment fee, and during the last 3 months of the Loan term, the Loan may be repaid without payment of a prepayment penalty or yield maintenance payment. The Lender required a repairs escrow deposit to be funded at the Loan closing in the amount of \$8,125 and requires ongoing monthly replacement reserve deposits throughout the term of the Loan in the amount of \$4,983.33 (\$59,800 annually). The Lender also required to be funded at the Loan closing an insurance escrow of \$34,566 and a tax escrow of \$69,865. The Loan is nonrecourse to the Trust. The transfer of Interests in the Trust by a Holder is permitted without Lender consent unless such Holder owns 25% or more of the Trust, in which case, the Lender must approve of such transfer and will require that certain searches related to OFAC compliance be completed. See “Financing Terms.”

State Tax:

Each Holder that is not currently filing a state income tax return in Oklahoma may now be required to file an income tax return with respect to such Holder’s income or loss from the Project and pay tax on such Holder’s income in Oklahoma. See “Federal Income Tax Consequences – State and Local Taxes.” Generally, each Holder’s income attributable to the Trust will be equal to their pro rata portion of rent paid under the Master Lease. In addition, the Holders and their principals may also be subject to taxes in the state in which the Holders and their principals reside. There is no assurance that state law will be consistent with the federal rules with respect to deferred tax treatment, the treatment of the Trust as an investment trust, or other items. Each Holder should consult their own tax advisor with respect to the tax treatment of an acquisition of an Interest in the state in which such Holder and its principals reside and where the Project is located.

The state of Oklahoma imposes a franchise tax on entities that are doing business within the state. It is uncertain whether the Trust will be required to pay such franchise tax. The Projections assume that the franchise tax will be payable by the Trust.

Project – Operation and Management:

It is anticipated that the Trust will own and lease the Project for approximately 10 years. The Trust master leased the Project to CP Maywood Apartments MT, LLC (the “Master Tenant”), an Affiliate of the Depositor and the Trust Manager, pursuant to the Master Lease Agreement (the “Master Lease”). The Master Tenant entered into a property management agreement with CORE Realty Holdings Management, Inc. (the “Property Manager”) to provide property management services and to manage the day-to-day operations of the Project.

Transferability of Interests:

The Holders will be able to sell their Interests, subject to applicable securities laws and any required consents or other requirements of the Lender (if Lender approval is required). In addition, the number of Holders is limited to 480. No transfer will be effective until the assignee executes a counterpart to the Trust Agreement and the Trust updates its ownership records to reflect the assignment.

Compensation to the Depositor, the Trust Manager, the Master Tenant and Their Affiliates:

The Depositor and its Affiliates, including the Trust Manager and the Master Tenant, will receive substantial fees and compensation from the operation of the Project. The Depositor will receive its pro rata portion of rent while it owns Class B beneficial interests in the Trust. For managing the trust, the Trust Manager will receive an annual fee of \$40,000 in year 1 and \$41,000 in year 2, and for each year thereafter, the fee will increase by 3% annually. The Depositor will receive the increase between the redemption price for the Depositor’s Class B beneficial interests and the cost to the Depositor of the property it deposited into the Trust in exchange for the Class B beneficial interests. The cash received

by the Depositor is substantially greater than the Depositor's original acquisition price. CORE Pacific, the sole member of the Trust Manager, the Master Tenant and the Depositor, will receive an acquisition fee equal to \$895,000 and an administration fee of \$75,000, and a principal of CORE Pacific will receive a loan fee of \$324,350. In the event that the actual costs related to the acquisition of the Project and sale of the Interests are less than estimated, the Depositor will be entitled to retain the excess amounts. In addition, the Master Tenant, an entity Affiliated with the Depositor, will be entitled to retain all net cash flow from the Project after the payment of rent under the Master Lease and Master Tenant's expenses. In the event the Trust sells, exchanges or otherwise disposes of the Project, the Trust Manager will receive a fee in an amount equal to 3.75% of the gross proceeds of the sale and will be responsible for paying any commission due to any real estate brokers engaged to assist with such sale. See "Compensation to the Depositor, the Trust Manager, the Master Tenant and Their Affiliates."

Purchaser Suitability Requirements:

The Offering is strictly limited to persons who meet the Investor Suitability Requirements including the minimum financial requirements as to income and net worth, among other requirements. See "Who May Invest."

Purchase Agreement:

Each Holder will be required to execute a Purchase Agreement in the form attached hereto as Exhibit B. See "Summary of the Purchase Agreement."

Amended and Restated Trust Agreement:

Each Holder will be required to enter into the Trust Agreement in the form attached hereto as Exhibit C. The sole right of the Holders under the Trust Agreement is to receive distributions from the Trust as a result of the Trust's ownership or sale of the Project. The Holders will not have the right or power to direct in any manner the actions of the Trust, the Depositor or the Trust Manager in connection with the management or operation of the Trust. The Holders have no voting rights, including as to whether or not the Project is sold. In addition, neither the Trust nor the Holders will have any right or power to (i) contribute additional assets to the Trust, (ii) cause the Trust to negotiate or renegotiate any loans or leases or (iii) cause the Trust to sell all or any portion of its assets and reinvest the proceeds of such sale or sales. The Holders have no right to possession of the Project. Each Holder waives any right to seek a judicial dissolution of the Trust, to terminate the Trust or to partition the Trust Estate. The Trust will expire on March 31, 2032, and may dissolve earlier pursuant to the terms of the Trust Agreement. See "Summary of the Trust Agreement."

Master Lease:

The rights and obligations regarding the lease of the Project by the Trust to the Master Tenant are governed by the Master Lease, which is attached as Exhibit D. Subject to certain payment obligations of the Trust for the Trust Obligations, the Master Tenant has the sole and exclusive right to manage, lease and maintain the Project. The Master Tenant will pay the Trust base rent ("Base Rent") in an amount starting at \$217,083.33 per month for the first 12 months of the Master Lease (which amount will be prorated based on the day that the Trust acquires the Project). If the Trust's expenses are equal to those assumed in the Projections prepared by the Trust Manager, the total rental payment by the Master Tenant to the Trust will result in an approximate 4.18% annual return on equity to the Holders in the first lease year. In lease year 2, Base Rent is anticipated to be \$220,339.58 per month. If the Trust's expenses are equal to those assumed in the Projections prepared by the Trust Manager, the rental payment by the Master Tenant to the Trust will result in an approximate 4.29% annual return on equity to the Holders in lease year 2.

Except for the Trust Capital Expenditures described below, the Master Tenant is responsible for all remaining Capital Expenditures (as defined in the Master Lease) for the Project. The Master Tenant is responsible for restoring the Project after a casualty or condemnation; provided, however, to the extent available, the Trust is required to provide insurance proceeds or condemnation proceeds resulting from such casualty or condemnation to the Master Tenant for the purpose of restoring the Project and to the extent the insurance proceeds or condemnation proceeds are not sufficient to complete the restoration, the Trust is obligated to pay the excess. Notwithstanding the above, the Master Tenant is prohibited from taking any action that would violate the requirements of the Revenue Ruling, including making any modifications to the Project other than minor nonstructural modifications or as required by law.

The Master Lease has a term of 10 years. The Master Lease will terminate upon the sale of the Project by the Trust. The Projections prepared by the Trust Manager only have a term of 10 years. The Master Tenant will sublease the Project to residents of the Project, provided, that the Master Tenant will remain liable to the Trust for its obligations. See “Description of the Master Lease.”

Trust Obligations:

The Trust must pay for the following as provided by the Master Lease (collectively, the “Trust Obligations”):

Loan Expenses. The Trust is responsible for all Loan expenses related to the Project.

Hazardous Substance Costs. The Trust is responsible for the “Landlord Hazardous Substance Costs” as defined in the Master Lease.

Trust Capital Expenditures. The Master Tenant is requiring, as a condition to entering into the Master Lease, that the Trust undertake certain capital expenditures at the Project to place the Project into a position where it is ready to be leased by the Master Tenant. Certain of these capital expenditures must be completed upon acquisition of the Project and others must be completed during the anticipated ownership period. In addition, the Trust is requiring a tenant improvement allowance to be provided to the Master Tenant which the Master Tenant will use to make certain capital expenditures at the Project. The following is a summary of such capital expenditures.

Initial Capital Expenditures. In order to induce the Master Tenant to enter into the Master Lease and to place the Project in a condition for leasing, the following capital expenditures are required to be paid by the Trust: (i) capital expenditure related to foundation waterproofing; (ii) capital expenditure related to roofing; (iii) capital expenditure relating to lighting; (iv) capital expenditure related to landscaping; (v) capital expenditure related to firepits and sump pits; (vi) capital expenditure related to fire sprinkler system; (vii) capital expenditure related to exterior walls; and (viii) capital expenditure related to HVAC systems (collectively, the “Initial Capital Expenditures”). The aggregate amount to be spent by the Trust for the Initial Capital Expenditures will not exceed \$50,500.

Ongoing Capital Expenditures. The ongoing capital expenditures to be paid by the Trust are as follows: (i) capital expenditures related to the foundations, subfloors, structures and roof of the Project buildings and related costs and expenses with respect to such expenditures; (ii) capital expenditures related to the underground water pipes and electrical equipment that provides water and electricity to the Project (but not with respect to plumbing or electrical repairs at the Project buildings or tenant spaces); (iii) three-time capital expenditure related to concrete paving and seal coating; (iv) six-time capital expenditure

related to fences and gates; (v) two-time capital expenditure related to stair railings; (vi) one-time capital expenditure related to foundation waterproofing; (vii) four-time capital expenditure related to roofing; (viii) nine-time capital expenditure related to lighting; (ix) four-time capital expenditure relating to landscaping; (x) six-time capital expenditure relating to firepits and sump pits; (xi) two-time capital expenditure related to fire sprinkler system; (xii) nine-time capital expenditure related to exterior walls (cleaning, sealing and painting); (xiii) two-time capital expenditure related to swimming pool; (xiv) two-time capital expenditure related to parking garage and (xv) nine-time capital expenditure related to HVAC systems (collectively, the “Ongoing Capital Expenditures”).

The Initial Capital Expenditures and Ongoing Capital Expenditures described above are referred to as the “Capital Expenditures.” Although the Trust is required to pay for the Capital Expenditures, the Master Tenant is required to complete the Capital Expenditures. Notwithstanding the above, the Trust and the Master Tenant are prohibited from making any modifications to the Project other than minor nonstructural modifications or as required by law. The Trust Manager has estimated the costs for the Capital Expenditures. See Exhibit E, “Projections of Operations for the Project” for more detail regarding the amount of these expenditures. There is no assurance that the estimate of costs for the Capital Expenditures will be accurate. If the amounts for the Capital Expenditures is more than anticipated, the return to the Holders may be reduced.

Annual Tenant Improvement Allowance. The Annual Tenant Improvement Allowance is being required by the Master Tenant to make replacements at the Project (i) for the residential units related to carpet, tile flooring, refrigerators, ranges, microwaves, dishwashers, washers, dryers, water heaters, garbage disposals and ceiling fans and (ii) for the commercial space as determined by the Master Tenant and for any related leasing commissions. A schedule of the tenant improvement allowances is included as Exhibit D to the Master Lease.

Unidentified Tenant Improvement Allowance: The Trust will have the obligation to provide up to \$162,500 for unidentified tenant improvement allowances for capital replacements over the term of the Master Lease at the request of the Master Tenant (the “Unidentified Tenant Improvement Allowance”). The Master Tenant will have the right to request a distribution of all or a portion of the Unidentified Tenant Improvement Allowance to pay for capital replacement items at the Project. The Unidentified Tenant Improvement Allowance may only be used for capital expenditures, capital replacements and minor nonstructural modifications, except as required by law.

Under the Master Lease, the Master Tenant is responsible for paying all utilities and taxes related to the Project and the Trust is required to maintain, at the Master Tenant’s expense, the following insurance: (i) all risks property insurance, (ii) boiler and machinery insurance, (iii) flood insurance, if required by the Master Lease or the Lender, (iv) builder’s risk insurance for any changes on alterations and (v) any insurance required to be acquired by the Trust in the Loan documents. Under the Master Lease, the Master Tenant is required to pay the Trust, as Additional Rent (as defined in the Master Lease), an amount equal to (i) all taxes imposed, levied upon and assessed on the Project and (ii) all insurance premiums relating to the Project that are payable by the Trust.

Defined Terms:

Terms having their first letter capitalized in this Memorandum and not defined herein are defined in the Trust Agreement.

RISK FACTORS

An investment in an Interest is speculative and involves a high degree of risk. Prospective Holders should read this entire Memorandum and review the Projections, and the assumptions contained herein, before making an investment. Prospective Holders should be able to afford the loss of all or a substantial part of their investment. It is impossible to accurately predict the results to a Holder of an investment in the Trust because of the recent formation of the Trust and general uncertainties in the multifamily residential property industry. Prospective Holders should consider carefully the following risks, and should consult with their own legal, tax and financial advisors with respect thereto.

This Memorandum contains forward-looking statements that involve risks and uncertainties. These statements are only predictions and are not guarantees. Actual events and results of operations could differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements are typically identified by the use of terms such as “may,” “will,” “should,” “expect,” “could,” “intend,” “anticipate,” “plan,” “estimate,” “believe,” “potential” or the negative of such terms or other comparable terminology. The forward-looking statements included herein are based upon the Trust Manager’s current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Although the Trust Manager believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, the Trust’s actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those described below. Any assumptions underlying forward-looking statements could be inaccurate. Prospective Holders of Interests are cautioned not to place undue reliance on any forward-looking statements contained herein. The actual results of the Project, and therefore the Trust, may differ significantly from the results discussed in the forward-looking statements.

Risks Relating to the Trust Structure

Trust Obligations. The Master Lease is not a triple net lease. The Master Lease requires the Trust to pay for the Trust Obligations. If the Master Lease were a typical triple net lease, the Master Tenant would be responsible for some or all of these items. As a result, the Trust has increased obligations to fund items related to the Project compared to what it would have if the Master Lease were a triple net lease. If the amount of the Trust Obligations increases, the amount distributed to Holders will decrease or the Trust may not have sufficient cash to pay such Trust Obligations. The Trust is not able to accept any additional capital contributions or obtain additional financing secured by the Project. Thus, if the Trust does not have sufficient funds to pay for these items, the Project would be required to be transferred (or the Trust converted) to the Springing LLC and the Holders will lose their ability to participate in a Code Section 1031 exchange upon the sale or other disposition of the Project.

Trust Payment Obligations. The Trust is responsible for debt service under the Loan, certain Trust operating expenses and the Trust Obligations, some of which are variable expenses which could be higher than anticipated. The Trust is responsible for paying for these items regardless of the actual amount incurred for each item. The Trust will only receive rent under the Master Lease. Thus, if the amount necessary to pay for these items increases, the return to the Holders could be significantly lower than projected or the Trust may not have sufficient funds to pay all of its obligations. The Trust is not able to accept any additional capital contributions or obtain additional financing secured by the Project. Thus, if the Trust does not have sufficient funds to pay for its obligations, the Project would be required to be transferred (or the Trust converted) to the Springing LLC and the Holders will lose their ability to participate in a Code Section 1031 exchange upon the sale or other disposition of the Project.

Trust Operating Obligations. The Trust must be a passive owner of the Project in order to qualify as an investment trust. The Trust must pay for the Trust Obligations. Because the Trust is responsible for these items, it is possible that the Trust could be viewed as having the power to vary the investment of the Holders. In such case, the Trust would be viewed as a partnership and not as an investment trust and the Interests would not qualify as like-kind property for purposes of Code Section 1031. The Trust Agreement and the Master Lease restrict the ability of the Trust and the Master Tenant to take any action that would violate the provisions of the Revenue Ruling. Delaware statutory trusts are a relatively recent form of ownership and there is limited guidance with respect to the federal tax treatment of the Delaware statutory trust.

Master Tenant Operations. In addition to paying debt service under the Loan, the Trust must pay for the Trust Obligations. The Trust is establishing significant reserves from the Offering Proceeds to pay for these obligations. If the Master Tenant, rather than the Trust, were required to pay for these items, or if these items were paid from cash flow at the Project, the Master Tenant would operate at a loss.

Inflexibility of the Trust as a Vehicle to Own Real Property; Inability to Take Business Actions. The Trust Manager has attempted to structure the Trust so that it is the passive owner of the Project. The Trust is an inflexible investment vehicle for owning real property. It lacks the ability to change its course of action due to circumstances beyond its control. If circumstances beyond the control of the Trust occur, the Trust will not have the ability to change its business. If adverse circumstances arise for any reason, the Trust cannot renegotiate or refinance the Loan or invest any cash held by the Trust (including reserves) in anything other than short-term obligations that mature prior to the next distribution date and which obligations are required to be held until maturity, accept additional contributions, or renegotiate the Master Lease with the Master Tenant (other than because of the bankruptcy or insolvency of the Master Tenant). The Trust can only sell the Project after it has held the Project for 2 years, and then only if the Trust Manager determines that it is appropriate to do so; provided, however, the Trust may sell the Project before 2 years if the Trust Manager has made a determination, in its sole discretion, that an event has occurred which could significantly and adversely affect the Project, including, but not limited to, condemnation or casualty, which was not contemplated at the time the Trust acquired the Project. If no determination to sell the Project is made prior to 10 years after the Trust enters into the Loan, the Trust will be dissolved and the Project will be transferred (or the Trust will be converted) to the Springing LLC. If the Trust is required to take certain actions that are not within its power, the Project will be transferred (or the Trust will be converted) to the Springing LLC, which entity will have the ability to renegotiate leases, sell the Project and/or finance or refinance any loan. There is no assurance that adverse consequences will not occur before the sale of the Project. If the Project is transferred (or the Trust is converted) to the Springing LLC, the Holders will lose their ability to participate in a Code Section 1031 exchange upon the sale or other disposition of the Project. See “Summary of the Trust Agreement.”

Insufficient Cash Flow. Under the Projections prepared by the Trust Manager, the Project will not generate sufficient cash flow to pay for all of the (i) operating expenses, (ii) projected capital expenditures and improvements (including tenant improvements) and (iii) Base Rent and Additional Rent under the Master Lease without the use of the reserves that were established from the proceeds of the Offering. The reserves established by the Trust and the Master Tenant will be used to pay for a significant amount of replacements and repairs at the Project. Thus, without the establishment of reserves by the Trust, the return to the Holders would be reduced.

Reliance on the Trust Manager. All decisions regarding management and operation of the Trust will be made exclusively by the Trust Manager, and the Holders have no voting rights, including with respect to the sale of the Project. The Trust Manager may consult with the Holders, but shall be under no obligation to consider the vote of the Holders, when determining whether to sell the Project. The Trust Manager will not consult with the Holders when making any decisions with respect to the Project or the Trust, including with respect to the making of any distributions. Prospective Holders that purchase Interests must entrust all aspects of the management and operation of the Trust to the Trust Manager. The Trust Manager is newly formed with no operating history or assets and has no fiduciary duty to the Holders. There is no assurance that the Trust Manager will effectively or successfully manage and operate the Trust and its assets. The Trust Manager may retain independent contractors to provide various services to the Trust. The independent contractors will also have no fiduciary duty to the Holders and may not perform successfully.

Holders Do Not Have Legal Title to the Project. The Holders will not have legal title to the Project. Rather, they will only hold beneficial interests in the Trust. The Holders will not have the right to seek an in-kind distribution of the Project or to partition the Project. The sole right of the Holders is to receive distributions from the Trust (when and if such distributions are made pursuant to the Trust Agreement and as permitted under the Loan documents).

Conflict of Interest Regarding Affiliated Trust Manager and Master Tenant. The Trust Manager is an Affiliate of the Master Tenant. Therefore, there will be a conflict of interest with respect to the Trust Manager’s management of the Master Tenant on behalf of the Trust and the Master Tenant’s management of the Project and its rights under the Master Lease. If the Master Tenant defaults under the Master Lease, the Trust Manager will have a conflict of interest regarding whether to pursue any remedies available to the Trust against the Master Tenant given their common ownership. In addition, there will be a conflict of interest in the event that the Master Lease is

renegotiated. The Holders do not have the authority to act on behalf of the Trust and only the Delaware Trustee has the power to replace the Trust Manager and may do so only in the case of the fraud, gross negligence or willful misconduct of the Trust Manager. There is no mechanism to resolve the conflict of interest between the Trust and the Master Tenant.

Potential Continued Ownership of Beneficial Interests by the Depositor. If less than the Maximum Offering Amount is sold in the Offering, any Class B beneficial interests held by the Depositor on the Offering Termination Date will be converted to Interests and the ownership of such Interests will be held by an entity that is not, for federal income tax purposes, affiliated with the Master Tenant. However, it is anticipated that such entity would be controlled by an Affiliate of the Trust Manager. The continued ownership of the Interests by an Affiliate of the Depositor could create a conflict of interest with respect to the Trust Manager's management of the Trust and the management of the Depositor. There is no method established for resolving any conflict arising from the ownership of such Interests and the duties of the Trust Manager.

No Representation of Holders. Each Holder will be required to acknowledge and agree in the Purchase Agreement that counsel representing the Trust and its Affiliates does not represent and will not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Holders.

No Direct Interest in Project. An Interest only provides a Holder with a beneficial interest in the Trust. The only assets of the Trust are the Project and the Trust Reserves. Thus, an investment by a Holder will not be diversified.

Anticipated Financial Results. The Trust Manager has prepared the Projections which provide projected information for 10 years of operations of the Project. There is less certainty regarding the Projections as time passes because it is more difficult to predict economic performance, market conditions, the financial condition of the Master Tenant and other relevant factors in the future. If the Trust fails to sell the Project before the end of the initial 10-year hold period, the Trust Manager has not prepared projections with respect to such additional period.

Delaware Trustee. Although the Trust has a Delaware trustee that is independent of the Trust Manager and its Affiliates, the Delaware Trustee is not required to, and will not, make any decisions with respect to the operation of the Trust. Thus, the Holders must rely solely on the Trust Manager to make all decisions regarding the Trust.

Need to Master Lease Property. The Project is subject to the Master Lease. Thus, it may be difficult for the Trust to replace the Master Tenant if there is a default under the Master Lease.

Risks Relating to the Master Lease

Reliance on Management. The Project is subject to the Master Lease with the Master Tenant, an Affiliate of the Depositor and the Trust Manager. The Master Tenant entered into a management agreement with the Property Manager, an Affiliate of the Master Tenant, Trust Manager and Depositor to manage the day-to-day operations of the Project. As long as the Master Lease is in effect and except as otherwise provided in the Master Lease, the Master Tenant will have the exclusive right to lease, operate and maintain the Project. Accordingly, no person should purchase an Interest unless that person is willing to entrust all aspects of management of the Project to the Master Tenant and the Property Manager. The Master Tenant or an Affiliate may from time to time receive information or notices regarding the Project. Pursuant to the Master Lease, the Master Tenant is required to furnish to the Trust, promptly after receipt, any notice of violation of any governmental requirement or order issued by any governmental entity, any notice of default from the holder of any mortgage or deed of trust encumbering the Project or any notice of termination or cancellation of any insurance policy. If the Master Tenant fails to furnish such notices or other notices or information it receives with respect to the Project to the Trust, the ability of the Trust to protect its interest in the Project may be adversely affected. Prospective Holders must carefully evaluate the personal experience and business performance of the principals of the Master Tenant. If the Master Tenant is terminated for any reason, the Project will need to be sold or transferred (or the Trust converted) to the Springing LLC, and there can be no assurance that the Holders will be able to obtain a successor master tenant or in the alternative, a property manager.

No Experience of the Master Tenant. The Master Tenant is newly formed and has no experience managing multifamily apartment communities or commercial properties.

Limited Capital of Master Tenant. The Master Tenant is newly formed and has limited capital. In addition, a significant portion of the capital of the Master Tenant is in the form of a \$500,000 demand promissory note from CORE Pacific which is guaranteed by certain Affiliates of CORE Pacific (the “Guarantor Principals”). CORE Pacific and the Guarantor Principals each have limited capital and a limited net worth. Any bankruptcy by the Master Tenant will affect the economic success of the Project and the ability of the Master Tenant to pay rent due to the Trust. CORE Pacific or the Guarantor Principals may, but will have no obligation to, fund payments due under the Master Lease from other operating sources. Holders should not have any expectation that either CORE Pacific or the Guarantor Principals will use other funds to make payments under the Master Lease on behalf of the Master Tenant. If the Master Tenant does not have sufficient funds to pay its obligations, the Trust may be required to terminate the Master Lease and may be required to transfer the Project (or convert the Trust) to the Springing LLC.

Retention of Increased Project Revenues by Master Tenant. The Trust is entitled to receive Base Rent as provided in the Master Lease but will not otherwise be entitled to receive any increase in revenues generated by the Project. The Master Tenant is entitled to retain all revenues generated by the Project, subject only to its obligations to the Trust pursuant to the Master Lease. As a result, the Master Tenant, and not the Trust, will benefit from an increase in cash flows generated by the Project. See “Compensation to the Depositor, the Trust Manager, the Master Tenant and Their Affiliates.”

Termination of the Master Lease. If a Master Lease Termination Event occurs and is continuing, the Lender has right to terminate or direct the Trust to terminate the Master Lease. A “Master Lease Termination Event” means (i) a Master Lease Event of Default has occurred and is continuing or (ii) the occurrence of a Foreclosure Event under the Loan documents. Thus, certain actions by the Master Tenant could require the Trust to convert to a limited liability company which would cause the Holders to lose the ability to participate in a Code Section 1031 exchange upon the sale or other disposition of the Project.

Real Estate Risks

General Risks of Investment in the Project. The Master Tenant is newly formed and has limited capital. Thus, its ability to pay the rent required under the Master Lease will be related to the economic success of the Project. The economic success of an investment in the Trust will depend upon the operations of the Project, which will be subject to those risks typically associated with an investment in real estate. Fluctuations in occupancy rates, rent and operating expenses can adversely affect operating results or render the sale or refinancing of the Project difficult or unattractive. No assurance can be given that certain assumptions as to the future levels of occupancy of the Project or future costs of operating the Project will be accurate because such matters will depend on events and factors beyond the control of the Master Tenant and the Property Manager. Such factors include, among others, vacancy rates, financial resources of the tenants, rent levels and sales levels in the area where the Project is located, adverse changes in local population trends, market conditions, neighborhood values, local economic and social conditions, supply and demand for property such as the Project, competition from similar properties, interest rates, real estate tax rates, governmental rules, regulations and fiscal policies, including the effects of inflation and enactment of unfavorable real estate, rent control, environmental or zoning laws, hazardous material laws, uninsured losses and other risks.

Potential Effect of the COVID-19 Virus Outbreak. The recent outbreak of the COVID-19 virus has created considerable instability and disruption in the United States and world economies. The extent to which the Trust’s results of operations or its overall value will be affected by the COVID-19 virus will largely depend on future developments, which are highly uncertain and cannot be accurately predicted, including the long-term efficacy of the available vaccines, the percentage of the population inoculated against the COVID-19 virus and the potential mutation of the virus. As a result of shutdowns, quarantines or actual viral health issues, tenants at the Project may experience reduced income for a prolonged period of time and may be unable to make their rent payments. Market fluctuations may affect the ability to operate the Project. The occurrence of any of the foregoing events or any other related matters could materially and adversely affect the financial performance and the overall value of the Trust, and investors could lose all or a substantial portion of their investment in the Trust.

No Diversification. The Trust has no plans to acquire or develop any properties or investments other than the Project. The only assets of the Trust are the Project and the Trust Reserves. Thus, the Trust will have no diversification with respect to its assets and the Trust will be dependent on the results of operation of the Project. A decline in the real estate market in which the Project is located, or the occurrence of any one of many other adverse circumstances, could substantially and adversely affect the performance of the Project and the return to the Holders.

Environmental Liability. Federal, state and local laws impose liability on a landowner for the release or the otherwise improper presence on the premises of hazardous materials or hazardous substances. This liability is without regard to fault for, or knowledge of, the presence of such materials or substances, subject to certain defenses. A landowner may be held liable for hazardous materials or substances brought onto the property before it acquired title and for hazardous materials or substances that are not discovered until after it sells the property. In addition, a landowner may be held liable for hazardous materials or substances that migrate from the property onto or beneath adjacent sites, as well as hazardous materials or substances from unknown or unidentified sources that may migrate from adjacent sites onto or beneath the property. Similar liability may occur under applicable state and local law. The Seller made only limited representations and warranties based on the Seller's knowledge regarding the Project's compliance with such laws. If any hazardous materials or substances are found within the Project in violation of law at any time, the Trust may be liable for cleanup costs, fines, penalties and other costs and it may have little or no recourse against the Seller. In addition, the Depositor has not made any representations or warranties to the Trust with respect to compliance with environmental laws. Thus, the Trust will have little or no recourse against the Depositor. This potential liability may continue after the Trust sells the Project and may apply to hazardous materials or hazardous substances present within the Project before the Trust acquired the Project. An innocent landowner defense or bona fide prospective purchaser defense to environmental liability under the Comprehensive Environmental Response, Compensation and Liability Act may be available where a landowner has conducted an appropriate inquiry with respect to potential hazardous materials at the subject property in accordance with good commercial and customary practices. Such a defense is generally predicated on obtaining an environmental site assessment dated within 180 days prior to the landowner's acquisition of the subject property that has been prepared in substantial compliance with the ASTM Practice Designation E 1527-13: Standard Practice for Phase I Environmental Site Assessments. Global Realty Services Group ("GRS") has prepared a Phase I Environmental Site Assessment for the Project dated November 29, 2021, (the "Site Assessment"), which may be relied upon by the Trust, according to which GRS did not identify any evidence of recognized environmental conditions ("RECs"), controlled recognized environmental conditions ("CRECs"), historical recognized environmental condition ("HRECs") or de minimis environmental conditions at the Project. There can be no assurance that the innocent landowner or bona fide prospective purchaser defense will be available to the Trust in the event that hazardous materials are found at the Project. Further, a similar defense may not be available under state or local law. If losses arise from hazardous substance contamination that cannot be recovered from the responsible parties, the financial viability of the Project may be substantially affected. The Master Tenant has agreed to indemnify the Trust for losses from hazardous substance contamination arising from the gross negligence of the Master Tenant.

Toxic Mold. Litigation and concern about indoor exposure to certain types of toxic molds have been increasing as the public becomes aware that exposure to mold can cause a variety of health effects and symptoms, including allergic reactions and respiratory problems. Toxic molds can be found almost anywhere; they can grow on virtually any organic substance, as long as moisture and oxygen are present. There are molds that can grow on wood, paper, carpet, foods and insulation. When excessive moisture accumulates in buildings or on building materials, mold growth will often occur, particularly if the moisture problem remains undiscovered or unaddressed. It is impossible to eliminate all molds and mold spores in the indoor environment. The Trust has not obtained any assessment with respect to the existence of toxic mold at the Project. While the Trust has no reason to believe that the Project suffers from toxic mold, there can be no assurance that toxic mold does not or will not exist at the Project. The difficulty in discovering indoor toxic mold growth could lead to an increased risk of lawsuits by affected persons, and the risk that the cost to remediate toxic mold will exceed the value of the Project. As a result of attempts to exclude investigations, abatement and damage costs caused by toxic mold growth from certain liability provisions in insurance policies, there is no guarantee that insurance coverage for toxic mold will be available now or in the future.

Illiquidity of Real Estate Investments. The ownership of the Project will be relatively illiquid. Such illiquidity will limit the ability of the Trust to vary its portfolio in response to changes in economic or other conditions.

Limited Representations and Warranties. The Trust acquired the Project "as is," "where is," "with all faults," and with limited representations and warranties from the Seller, including with respect to environmental matters, the existence of hazardous materials or matters affecting the condition, use or ownership of the Project. The Seller's representations and warranties contained in the Acquisition Agreement will survive for a period of 1 year following the purchase of the Project. The Trust will sell Interests to the Holders "as is" with no representations or warranties, including with respect to environmental matters, the existence of hazardous materials or other matters affecting the condition, use and ownership of the Project. As a result, if defects in the Project or matters adversely

affecting the Project are discovered, the Holders may not be able to pursue a claim for any or all of their damages against the Seller, the Depositor or the Trust.

Possible Delays in the Sale or Refinancing of the Project. The Projections assume that the Project will be sold in approximately 10 years. It may not be possible to sell the Project at such time. The Loan has a 10-year term and the Trust is not permitted to refinance the Loan. Thus, the Project will have to be sold or transferred to the Springing LLC if alternative financing is necessary. Relative to historical interest rates, current interest rates are low. Fluctuations in the supply of money for such loans affect the availability and cost of loans, and the Trust is unable to predict the effects of such fluctuations on the Project. Prevailing market conditions at the time the Springing LLC may seek to refinance the Project may make such loans difficult or costly to obtain. Such conditions may also adversely affect cash flow and/or profitability of the Project. Further, as interest rates increase, it is likely that capitalization rates will also increase. This may negatively affect the sales price of the Project.

Real Estate Market and Capitalization Rates. The value of real estate is generally based on capitalization rates. Capitalization rates generally trend with interest rates. Consequently, if interest rates increase, capitalization rates generally increase. Based on historical interest rates, current interest rates are low, as are current capitalization rates. However, if interest rates rise in the future, it is likely that capitalization rates will also rise, and as a result, the value of real estate will decrease. If capitalization rates increase, the Project will likely realize a lower sales price than anticipated, resulting in reduced returns.

Uncertain Economic Conditions. The United States economy is subject to fluctuation and it is unclear how stable the real estate market will be in the future. As a result, there can be no assurance that the Project will achieve anticipated cash flow levels. Further, recent world events evolving out of increased terrorist activities and the political and military responses of the targeted countries have created an air of uncertainty concerning the security and the stability of the United States economy. Historically, successful terrorist attacks have resulted in decreased travel and tourism to the affected areas, increased security measures and disturbances in financial markets. It is impossible to determine the likelihood of any future terrorist attacks on United States targets, the nature of any United States response to such attacks or the social and economic results of such events. In addition, there are increasing incidents of civil unrest and domestic terrorism within the United States that could cause instability in the United States economy. However, any negative change in the general economic conditions in the United States could adversely affect the financial condition and operating results of the Project.

Condemnation of the Land. The Project or a portion of the Project could become subject to an eminent domain or inverse condemnation action. Any such action could have a material adverse effect on the value, marketability and profitability of the Project and it could cause the Master Tenant to terminate the Master Lease.

No Guaranteed Cash Flow. There can be no assurance that cash flow or profits will be generated by the Project. If the Master Lease is terminated for any reason, the Project will have to be sold or transferred (or the Trust converted) to the Springing LLC.

Uninsured Losses. Pursuant to the terms of the Master Lease, (i) the Master Tenant will maintain insurance coverage against liability for personal injury and property damage and business loss insurance and (ii) the Trust will maintain, at the Master Tenant's expense, the insurance described under "Summary of the Offering – Trust Obligations." Neither the Trust nor the Master Tenant will obtain flood or wind insurance unless otherwise required by the Lender. There can be no assurance that insurance obtained by the Trust or the Master Tenant will be sufficient to cover any such liabilities. Furthermore, insurance against certain risks, such as earthquakes, terrorism, toxic mold, wind and/or floods, may be unavailable or available at commercially unreasonable rates or in amounts that are less than the full market value or replacement cost of the Project. In addition, there can be no assurance that particular risks that are currently insurable will continue to be insurable on an economical basis or that the current levels of coverage will continue to be available. If a loss occurs that is partially or completely uninsured, the Holders may lose all or part of their investment.

Unaudited Results of Operations. The Trust did not obtain audited results of historical operations for the Project in connection with its review of the acquisition of the Project, and relied only on unaudited financial information provided by the Seller. Consequently, there is less certainty regarding the prior economic operating history for the Project.

Natural Disasters. The Project's location may experience tornadoes or high winds, wildfires and floods. Tornadoes, high winds, wildfires or floods could cause structural damage to or destroy the Project. The Trust does not intend to obtain flood or wind insurance for the Project unless required by the Lender. It is possible that any such insurance, if obtained, will not be sufficient to pay for damage to the Project.

Wind Zones and Tornadoes. According to the Federal Emergency Management Administration ("FEMA"), the Project is located in Wind Zone IV and in an area that is at high risk for tornados. Wind Zone IV has a design wind speed (3-second gusts) of up to 250 miles per hour. If high winds or tornadoes cause a loss that is partially or completely uninsured, the Holders may lose all or part of their investment. The Trust has not established significant reserves, and may not have significant capital, in the event of a casualty at the Project. It is not anticipated that the Trust or the Master Tenant will obtain separate wind insurance for the Project but it is anticipated that wind damage will be included in the property insurance policy obtained for the Project.

Competition. The Project is located in an area where there are several competing properties in the Project's market area. According to the Appraisal, there are 5 competing properties in the market area, all of which are within approximately 1 mile of the Project. According to the Appraisal, the comparable rental properties surveyed reported occupancy rates between 91% and 98%. According to the Rent Roll, the Project had an occupancy rate of 91.1% as of January 24, 2022. Competition may also make it difficult to attract new tenants to the Project, which may increase costs and reduce returns at the Project. The proximity of competing properties could negatively impact the Project and the occupancy at the Project and thus, the ability of the Master Tenant to pay rent due under the Master Lease.

Amenities as Potential Liabilities. In addition to the residential buildings, the Project is improved with certain amenities including a fitness center, swimming pool and clubhouse. Certain claims could arise in the event that a personal injury, death or injury to property should occur in, on, or around any of the Project's improvements. There can be no assurance that particular risks pertaining to these improvements that currently may be insured will continue to be insurable on an economical basis or that current levels of coverage will continue to be available. The Trust may be liable for any uninsured or underinsured personal injury, death or property damage claims.

Occupancy. According to the Rent Roll, the Project is approximately 91.1% leased as of January 24, 2022. There can be no assurance that the Project can maintain the current occupancy level. If tenants (i) do not renew or extend their leases, (ii) default under their leases or (iii) terminate their leases, the operating results and financial viability of the Project could be substantially affected. The Projections assume a minimum occupancy rate and certain rental rates for the Project, but there can be no assurances that the Project will be substantially occupied at the projected rents. The Projections prepared by the Trust Manager assume a stabilized occupancy rate of 94% after Year 1. There can be no assurance that the Project will maintain the minimum occupancy levels at projected levels or that rental concessions will not be required. Accordingly, lease-up and minimum occupancy rates may be achievable only at rental rates less than those assumed in the Projections. The Project is leased to the Master Tenant pursuant to the Master Lease. In the event that the Master Lease is terminated or occupancy levels at the Project decline, the financial viability of the Project may be substantially affected, which may affect the ability of the Master Tenant to pay rent due under the Master Lease.

Difficulty Attracting and Retaining Tenants. According to the Rent Roll, the Project is approximately 91.1% occupied as of January 24, 2022. The residential leases for units at the Project generally have a term of approximately 1 year or less. There can be no assurance that the Master Tenant will be able to increase or maintain the current occupancy level from the Seller. The failure to maintain projected lease-up rates may adversely affect the ability of the Master Tenant to pay rent due under the Master Lease.

Easements, Restrictions, Encroachments and Agreements. The Project is subject to several easements and agreements, including permanent access, right-of-way, private access, water line, electric, sanitary sewer line and utility easements. The easements and agreements include covenants, conditions and restrictions. Certain vehicular and pedestrian access to the Project is through a private access easement. The Project is part of the Maywood Park Owners Association, Inc. (the "Maywood Association") which is a development that includes the Project and other neighboring properties (the "Development"). There is a Declaration of Covenants and Restrictions for Maywood Park (the "Maywood CC&Rs") which applies to the Development and the Project. The CC&Rs impose certain covenants, conditions and restrictions relating to the Project and also impose periodic maintenance assessments. The Project is also part of the Block Eye Owners Association, LLC (the "Block Association") which includes the Project and other neighboring properties (the "Block"). There is a Declaration of Covenants for Block I (the "Block CC&Rs") which

applies to the Block and the Project. The Block CC&Rs impose certain covenants, conditions and restrictions relating to the Project and also impose periodic maintenance assessments. In addition, there are several restrictive agreements which contain covenants, conditions and restrictions relating to the use and improvements at the Project. There may be third party rights to minerals, oil and gas located beneath the Project. According to the Survey, the buildings encroach on a natural gas and pipeline easement and a telephone line easement. Any or all of the easements, restrictions, encroachments or agreements on the Project could limit operations and development at the Project.

Limited Power over the Associations. The Trust will not manage or control the Maywood Association or the Block Association but, as the owner of the Project, will have the right to vote on certain actions taken by the Maywood Association or the Block Association.

Zoning. All improved real estate projects must be built in accordance with applicable zoning regulations, absent an approved variance issued by the applicable governmental authority. According to the Zoning Report prepared by Armada Analytics November 23, 2021 (the “Zoning Report”), which may be relied upon by the Trust, the Project’s use, improvements and parking are legally conforming, and there are no open zoning code violations. Any unknown or future violations on the Project could limit operations and development at the Project.

Necessary Improvements and Repairs. GRS prepared the Property Condition Report dated January 13, 2022 (the “Needs Assessment”), which may be relied upon by the Trust, based on a visual walkthrough of the Project on November 12, 2021. The Needs Assessment characterizes the Project as being in good overall condition. According to the Needs Assessment, there are \$20,500 in immediate repairs needed at the Project. The Needs Assessment indicates that the estimated requirements for modified capital reserve expenditures are \$193 per unit per year (un-inflated) or \$238 per unit per year (inflated). Based on this, GRS recommends the establishment of a modified capital reserve of \$854,642 for a 12-year hold period, as adjusted for inflation, for such items. If reserves are insufficient and the Master Tenant does not pay for the required repairs and maintenance at the Project that are the obligations of the Master Tenant, new financing to pay for these and other repairs that become necessary over time may be required. The Trust is not permitted to obtain additional capital or financing. If such actions are necessary, the Project must be transferred (or the Trust converted) to the Springing LLC. If the Project is transferred (or if the Trust converts) to the Springing LLC, the Holders will lose their ability to participate in a Code Section 1031 exchange upon the sale or other disposition of the Project.

Compliance with the Americans with Disabilities Act. Under the Americans with Disabilities Act of 1990 (the “ADA”), public accommodations must meet certain federal requirements related to access and use by disabled persons. Facilities initially occupied after January 26, 1992 must comply with the ADA. When a building is being renovated, the area renovated and the path of travel accessing the renovated area, must comply with the ADA. The ADA requirements could require removal of access barriers at significant cost, and could result in the imposition of fines by the federal government or an award of damages to private litigants. Attorneys’ fees may be awarded to a plaintiff claiming ADA violations. State and federal laws in this area are constantly evolving, and could evolve to place a greater cost or burden on the Trust. GRS noted in the Needs Assessment that the Project’s rental office and the areas of the Project available for rental to or membership of non-residents should be ADA compliant. According to the Needs Assessment, based on a visual survey of accessible areas for general compliance with ADA requirements, GRS did not observe any material deficiencies. There can be no assurance that the Project does or will in the future conform to ADA requirements. If violations of the ADA do exist, there can be no assurance that there will be funds to pay for any necessary repairs and compliance will reduce the Trust’s net income and the amount of cash available for distributions to the Holders.

Compliance with the Fair Housing Act and the Fair Housing Amendment Act. The Fair Housing Act of 1988 (Public Law 100-430) (the “FHA”) enacted prohibitions against discrimination in housing on the basis of race, color, religion, sex, handicap, familial status or national origin. In addition, the Fair Housing Amendment Act (the “FHAA”), which modified the FHA, requires multifamily dwellings first occupied after March 13, 1991 to comply with design and construction requirements related to access and use by disabled persons. According to the Needs Assessment, GRS did not find any material deficiencies at the Project with respect to conformance with the FHA and FHAA requirements. There can be no assurance that the Project does or will in the future conform to the FHA and FHAA requirements. Any unknown or future FHA or FHAA violations on the Project could limit operations and development at the Project.

Appraised Value. According to the Appraisal, the “as-is” appraised market value of the Project as of November 16, 2021 was \$59,000,000. The Holders will purchase the Interests in the Trust based on an assumed Project value of \$64,387,444 (\$65,435,000 less the Trust Reserves (\$935,000) and the Lender held reserves in the amount of \$112,556). The Trust may not be able to sell the Project at a price equal to or greater than the purchase price paid by the Holders for the Interests.

Commercial Use. Portions of the Project are reserved for commercial use and currently leased to tenants operating a restaurant and a car detail service. The operation of the restaurant and car detail service could cause additional traffic, odors, noise or other nuisance to the tenants residing at the Project, which could negatively impact the Project and future occupancy. The restaurant could also bring additional risks and hazards to the building, such as potential fires, which could also cause damage to the Project’s building.

Financing Risks

Leverage. The Project is leveraged with a loan-to-purchase price ratio of approximately 50.37% ($\$32,435,000 \div \$64,387,444$ (\$65,435,000 gross price minus the Trust Reserves (\$935,000) and the Lender held reserves in the amount of \$112,556)), based on the purchase price for the Interests paid by the Holders. The loan-to-purchase price ratio is approximately 49.57% if the reserves are included in the Holder purchase price ($\$32,435,000 \div \$65,435,000$). The loan-to-cost ratio is approximately 56.66% ($\$32,435,000 \div \$57,250,000$) based on the purchase price of the Project pursuant to the Acquisition Agreement. A decrease in rental revenue of the Project may materially and adversely affect the Project’s cash flow, which may affect the ability of the Master Tenant to pay rent due under the Master Lease. If the rent from the Project is insufficient to provide the Master Tenant with sufficient cash to pay Base Rent, it is possible that debt service payments could not be made and the Project could be foreclosed and the Holders could lose their entire investment.

Cash Sweep. The Loan documents provide that the Lender will institute a sweep of the cash generated from the Project upon the occurrence and continuation of an Event of Default under the Loan documents. During this period, the Lender will have the right to collect all rental and other income and is only required to pay operating expenses that are approved by the Lender, in its sole discretion. As a result, the Trust may not have any cash to pay for any expenses not approved by the Lender which may include any Trust obligations under the Master Lease and Trust operating expenses such as trustee fees, state franchise taxes and other items. The Trust is not able to accept any additional capital contributions to pay for these items. If the Lender imposes a cash sweep, distributions to the Holders will be reduced or will cease and the Trust may be required to transfer the Project (or convert the Trust) to the Springing LLC or sell the Project.

Termination of the Master Lease. The Loan documents provide that upon the occurrence of a Master Tenant Termination Event, the Lender has right to terminate or direct the Trust to terminate the Master Lease. Thus, certain actions by the Master Tenant could require the Trust to sell the Project or to convert to the Springing LLC. The Holders may lose the ability to participate in a Code Section 1031 exchange upon the sale or other disposition of the Project.

Restrictions on Transfers. The Lender restricts the transfer of Interests for any Holder that owns 25% or more of the Interests. The Lender restricts the ability of the Trust to transfer ownership of the Project and it is unknown whether the Lender will permit a potential buyer of the Project to assume the Loan from the Trust. If there is a violation of the restrictions on transfer or encumbrance in the Loan documents, the Lender will have the right to declare the entire amount of the Loan, including principal, interest, prepayment premiums and other charges, to be immediately due and payable. If the Lender declares the Loan to be immediately due and payable, the Trust will have the obligation to immediately pay the Loan in full, including any applicable prepayment charges. If the Trust is unable to obtain replacement financing or otherwise fails to immediately pay the Loan in full, the Lender may invoke its other remedies under the Loan, which may include proceeding with a foreclosure that would cause the Trust to lose its entire interest in the Project. Each prospective Holder should review all of the Loan documents.

Events of Default Under the Loan. The Loan documents include certain events of default. Should the Lender declare a default under the Loan, the Lender could foreclose on the Project, resulting in the loss of all or a substantial portion of the investment made by the Holders. See “Financing Terms – Events of Default” for a description of the events of default under the Loan.

Event of Default Caused by the Master Tenant. The Master Tenant is responsible for the operation and maintenance of the Project. The Loan documents impose requirements with respect to the operation and maintenance of the Project and the failure to meet such requirements could result in an event of default under the Loan documents.

No Ability to Refinance Loan. The Loan has a 10-year term and requires a balloon payment at the end of its term. The Trust is not permitted to refinance the Loan unless the Master Tenant becomes bankrupt or insolvent. Thus, the Project will have to be sold or transferred (or the Trust converted) to the Springing LLC if alternative financing is necessary. It is currently anticipated that the Trust will own the Project for approximately 10 years. The Trust will terminate on March 31, 2032. If the Project is not sold or if the Project is transferred (or the Trust is converted) to the Springing LLC and is unable to be refinanced, the continued ownership of the Project by the Holders may be jeopardized because the Lender may foreclose on the Project. Relative to historical interest rates, current interest rates are low and, it is likely that the interest rate that will be obtained upon refinancing (if the Project is transferred (or the Trust is converted) to the Springing LLC) will be higher than that of the Loan.

Interest Only Loan. The Loan is interest only for the entire 10-year term. Thus, no principal will be repaid during term of the Loan.

Risks Relating to the Operation of the Trust

New Venture. The Trust is newly formed with no history of operations and limited assets. The Trust is subject to the risks involved with any speculative new venture. No assurance can be given that the Trust will be profitable. See “The Depositor, the Trust Manager, the Master Tenant and Their Affiliates.”

No Experience of the Trust Manager. Although certain principals of the Trust Manager have experience owning and operating real estate, the Trust Manager is newly formed and therefore has no experience owning or operating multifamily apartment communities, no experience managing a Delaware statutory trust and has limited capital.

Limited Resources of the Trust Manager. The Trust Manager has limited net worth and limited financial resources to satisfy its obligations as the Trust Manager. A financial reversal for the Trust Manager could adversely affect the ability of the Trust Manager to manage the Trust. There can be no assurance that the Trust Manager will have sufficient funds to meet its obligations to the Trust or otherwise financially support the Trust. The Trust Manager has no obligation to advance, invest or loan money to the Trust.

No Guaranteed Cash Distributions. There can be no assurance that cash distributions will, in fact, be made or, if made, whether those distributions will be made when or in the amount anticipated.

Loss of Uninsured Bank Deposits. The Trust’s cash will likely be held in bank depository accounts. While the FDIC insures deposits up to \$250,000 per depositor per insured institution in most cases, the Trust may have deposits at financial institutions in excess of the FDIC limits. The failure of any financial institution in which the Trust has funds on deposit in excess of the applicable FDIC limits may result in the Trust’s loss of such excess amounts, which would adversely impact the Trust’s performance.

No Fiduciary Duty. None of the Trust Manager, the Master Tenant, the Delaware Trustee nor the Holders have a fiduciary duty to any Holder. Therefore, the Trust Manager, the Master Tenant, the Delaware Trustee or the other Holders may take actions that would not be in the best interests of 1 or more of the Holders.

Conflicts of Interest. The principals of the Trust Manager and the Delaware Trustee are employed independently of the Trust and may engage in other activities. The Trust Manager and the Delaware Trustee will have conflicts of interest in allocating management time, services and functions between various existing enterprises and future enterprises they or their Affiliates may organize, as well as other business ventures in which they may be or become involved, and could exhaust their financial resources (including with respect to demand notes issued for other transactions), making it difficult for the Trust Manager and Delaware Trustee to satisfy their obligations under the Trust Agreement.

Receipt of Compensation Regardless of Profitability. The Trust Manager and its Affiliates are entitled to receive significant fees and other compensation, payments and reimbursements regardless of whether the Trust is profitable and such fees will be received prior to any distributions to the Holders.

Sale of the Project. The proceeds (net of closing costs) realized from the sale of the Project will be distributed among the Holders upon the sale of the Project but only after payment of the Loan and the satisfaction of the claims or obligations to other third-party creditors. The ability of a Holder to recover all or any portion of the Holder's investment will, accordingly, depend on the amount of net proceeds realized from the sale of the Project and the amount of claims to be satisfied therefrom. There can be no assurance that the Holders will realize gains on the sale of the Project. The net sales proceeds received by the Trust will be dependent on a number of market factors, including the capitalization rates applicable to similar real estate at the time of sale, and the desired sales price may not be achieved. Although the Trust Manager has included certain projections of income for the operation of the Project, the Trust Manager has not made any projections or assumptions with respect to the sales price of the Project or the overall return to the Holders upon sale of the Project.

Reimbursement Reserve. The Trust established the Reimbursement Reserve for the sole purpose of reimbursing the Master Tenant for any amounts withdrawn by the Lender from the Clearing Account in excess of the amounts that the Master Tenant is obligated to pay to the Trust under the terms of the Master Lease. If at any time during the term of the Reserve Agreement (as defined below) the Trust believes that reimbursements to the Master Tenant from the Reimbursement Reserve will exceed \$35,000, in the aggregate, the Trust will be required to convert the Trust into the Springing LLC.

Indemnification; Limitation of Liability of the Master Tenant and Trust Manager. The Trust Manager and its owners, Affiliates, directors, managers, employees, agents, assigns, principals, trustees and any officers will not be liable to the Trust or the Holders, and the Trust will indemnify such parties, in connection with their obligations under the Trust Agreement, the Trust, or any transaction or document contemplated thereby not constituting fraud, gross negligence or willful misconduct as a result of certain indemnification provisions in the Trust Agreement. A successful claim for such indemnification would deplete the value of an Interest by the amount paid. See "Summary of the Trust Agreement" and "Description of the Master Lease."

Potential Data Security Breaches. The Trust, the Master Tenant and the Managing Broker-Dealer collect and retain certain information provided by the tenants at the Project, employees and investors. The Trust, the Master Tenant and the Managing Broker-Dealer have implemented certain protocols designed to protect the confidentiality of this information and periodically review and improve their security measures; however, these protocols may not prevent unauthorized access to this information. Technology and safeguards in this area are constantly changing and there can be no assurance that the Trust, the Master Tenant or the Managing Broker-Dealer will be able to maintain sufficient protocols to protect confidential information. Any breach of the Trust's, the Master Tenant's or the Managing Broker-Dealer's data security measures and loss of this information may result in legal liability and costs (including damages and penalties), as well as damage to the Trust's, the Master Tenant's and the Managing Broker-Dealer's reputation, that could materially and adversely affect the Trust, including its business and financial performance.

Risks Relating to Offering and Lack of Liquidity

Limited Transferability of the Interests. Each Holder will be required to represent that such Holder is acquiring an Interest for investment and not with a view to distribution or resale, that such Holder understands the Interests are not freely transferable and, in any event, that such Holder must bear the economic risk of investment in the Trust for an indefinite period of time because the Interests have not been registered under the Securities Act or certain applicable state securities laws, and that the Interests cannot be sold unless they are subsequently registered or an exemption from such registration is available. There will be no market for the Interests and a Holder cannot expect to be able to liquidate its investment in case of an emergency. Further, the sale of the Interests may have adverse federal income tax consequences. The Lender's approval will be required for any transfer of Interests in which a Holder will acquire 25% or more of the Trust.

No Redemption Rights. The Holders have no repurchase rights relating to their Interests. Holders should not invest in the Trust if they have a need for liquidity in this investment.

Speculative Investment. An investment in an Interest must be considered highly speculative. No assurance can be given that the Holders will realize any return on their purchase of an Interest, or that the Holders will not lose their entire investment. For this reason, prospective Holders should carefully read this Memorandum and should consult with their own attorneys or business advisors.

Offering Not Registered with the SEC or State Securities Authorities. The Offering will not be registered with the SEC under the Securities Act or the securities commission of any state. 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 Holders meeting the suitability requirements set forth herein.

Private Offering – Lack of Agency Review. The Offering is a nonpublic offering and is not registered under federal or state securities laws. As a result, prospective Holders will not have the benefit of review of this Memorandum 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 the SEC or any state securities commission.

Private Offering Exemption – Compliance with Requirements. The Interests are being offered and sold in reliance upon a private offering exemption from registration provided in the Securities Act. If the Trust should fail to comply with the requirements of such exemption, the prospective Holders would have the right to rescind their purchase of the Interests if they so desired. It is possible that 1 or more Holders seeking rescission would succeed. This might also occur under applicable state securities laws and regulations in states where the Interests will be offered without registration or qualification pursuant to a private offering or other exemption. If a number of Holders were successful in seeking rescission, the Trust could face severe financial demands that would adversely affect the Trust as a whole and, thus, the investment in the Trust by remaining Holders.

Private Offering Exemption – Limited Information. Because the Offering is a nonpublic offering and the Interests are only being sold to Accredited Investors, certain information that would be required if the Offering were not so limited has not been included in this Memorandum, including, but not limited to, audited financial statements and prior performance tables. Thus, prospective Holders will not have this information available to review when deciding whether to invest in an Interest.

No General Solicitation. The Offering is being conducted in reliance on the exemption from registration provided in Rule 506(b) of Regulation D promulgated under the Securities Act and is not being conducted pursuant to Rule 506(c) of Regulation D. As such, a failure to comply with the Rule 506(b) requirements could result in the loss of the exemption from registration.

Prohibition on Bad Actors. The Offering is intended to be made in compliance with Rule 506(c) of Regulation D promulgated under the Securities Act. The SEC has recently changed the requirements of Regulation D offerings to include a prohibition on the participation of certain “bad actors.” The Trust will obtain representations from the Trust Manager and its principals, 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. Pursuant to Rule 506(e) of Regulation D, certain events that would otherwise have designated an Offering participant as a “bad actor” but which occurred prior to the effective date of Rule 506(d), are required to be disclosed to all prospective Holders. In order to comply with the requirements of Rule 506(e) of Regulation D, the Trust is required to inform prospective Holders of state sanctions on current or prospective Selling Group Members.

Berthel Fisher & Company Financial Services, Inc. Berthel Fisher & Company Financial Services, Inc. (“Berthel Fisher”) may become a Selling Group Member for the sale of the Interests. Berthel Fisher is subject to an order from a state securities commission as follows: On June 4, 2013, Berthel Fisher entered into a consent order (the “SD Consent Order”) with the state of South Dakota Division of Securities. The SD Consent Order is related to alleged violations of South Dakota statute 47-31B-412(d)(13) regarding the suitability of sales of certain alternative investments to residents of South Dakota. In connection with the SD Consent Order, Berthel Fisher agreed to provide rescission to 12 investors in the aggregate amount of \$69,000.

There may be additional state sanctions against Selling Group Members in the future regarding which the Trust will be required to inform prospective Holders.

Projected Aggregate Cash Flow. Any projected cash flow or forward-looking statements included in this Memorandum and all other materials or documents supplied by the Trust should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Memorandum. The assumptions

and facts upon which such Projections are based are subject to variations that may arise as future events actually occur. The Projections included herein are based on assumptions made by the Trust Manager regarding future events. There is no assurance that actual events will correspond with these assumptions. Actual results for any period may or may not approximate such Projections. The Trust is responsible for the Trust Obligations. If amounts required to be paid by the Trust are greater than projected by the Trust Manager, the return to the Holders could be significantly reduced. Prospective Holders are advised to consult with their tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. Neither the Trust nor any other person or entity makes any representation or warranty as to the future profitability of the Trust or an investment in an Interest.

Estimates, Opinions and Assumptions. No representation or warranty can be given that the estimates, opinions or assumptions made herein will prove to be accurate. Any such estimates, opinions or assumptions should be considered speculative and are qualified in their entirety by the information and risks disclosed in this Memorandum. The assumptions and facts upon which any estimates or opinions herein are based are subject to variations that may arise as future events actually occur. There can be no assurance that actual events will correspond with the assumptions. Prospective Holders are advised to consult with their tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. Neither the Trust Manager nor any other person or entity makes any representation or warranty as to the future profitability of the Trust.

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

Compensation to the Managing Broker-Dealer and the Selling Group Members. The Managing Broker-Dealer and the Selling Group Members are compensated based on the number of Interests they sell. As a result, the Managing Broker-Dealer and the Selling Group Members have an incentive to sell the greatest number of Interests possible.

Lack of Firm Commitment Underwriting. The Trust is offering the Interests on a “best-efforts” basis through the Managing Broker-Dealer and Selling Group Members. The fact that this is not a firm commitment offering may limit the amount raised in the Offering and increase the time necessary to sell the Maximum Offering Amount.

Prior Programs Sponsored by Affiliates of the Trust Manager. The two principals that formed CORE Pacific previously formed CORE Realty Holdings, LLC (“CRH”) in 2005. Between 2005 and 2008, CRH sponsored a number of real estate programs. None of the CRH real estate programs met the income and distribution levels anticipated in the projections for such programs and investors in several of such programs lost all or a significant portion of their original investment. In addition, CRH has defaulted on its obligations to pay several series of its debentures. Further, CORE Pacific, its Affiliates and certain other entities owned and controlled by principals of CORE Pacific have sponsored a number of other real estate programs and investments, some of which have not met the income and distribution levels anticipated in the projections for such programs. There can be no assurance the Trust will meet the objectives set forth herein. See “Prior Performance Summary.”

Interests Retained by an Entity Controlled by the Depositor or an Affiliate. There is no assurance that all of the Interests will be sold. If less than the Maximum Offering Amount is sold in the Offering, any Class B beneficial interests held by the Depositor on the Offering Termination Date will be converted to Interests and the ownership of such Interests will be held by an entity that is not, for federal income tax purposes, affiliated with the Master Tenant. However, it is anticipated that such entity would be controlled by an Affiliate of the Trust Manager. Such entity may have an incentive to sell the Project prior to the projected holding period which will result in a potential conflict of interest for the Trust Manager.

Tax Risks

General. There are substantial risks associated with the federal income tax aspects of a purchase of an Interest, especially if the purchase is part of a Code Section 1031 exchange. The income tax consequences of a purchase of an Interest are complex and recent tax legislation has made substantial revisions to the Code. Many of these changes affect the tax benefits generally associated with an investment in real estate. The following paragraphs summarize some of the tax risks to a Holder. 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 the Offering are complex and certain of the tax consequences may differ depending on individual tax circumstances,

prospective Holders are urged to consult with and rely on their own tax advisor concerning the Offering's tax aspects and their individual situation. No representation or warranty of any kind is made with respect to the IRS's acceptance of the treatment of any item by the Trust or a Holder.

Definition of Real Estate. The TCJA eliminated the ability to enter into like-kind exchanges under Code Section 1031 for any asset other than real estate. Consequently, Code Section 1031 will not apply to the extent a Holder is disposing of property that does not qualify as real estate or to the extent the Project consists of property other than real estate.

Tax Classification of the Trust. The Trust will attempt to structure the Offering such that Holders purchasing Interests are treated for federal income tax purposes as acquiring interests in real property and not an interest in an entity. If the Interests were to be treated by the IRS or a court as interests in an entity, then no prospective Holder would be able to use its acquisition of Interests as part of an exchange under Code Section 1031.

The Trust obtained an opinion from counsel that (i) after the effective date of the Conversion Notice, the Trust should be treated as an investment trust described in Treasury Regulations Section 301.7701-4(c)(1), that is classified as a "trust" for federal income tax purposes and (ii) the Holders should be treated as owning an undivided beneficial interest in the Trust's assets, including the Project, in proportion to their Interests for purposes of Code Section 1031.

The Trust has not received and will not request a private ruling from the IRS regarding the federal income tax classification of the Trust. There is always a risk that the IRS may not agree with counsel's opinion. The opinion of counsel is predicated on all the facts, conditions and assumptions set forth in the opinion and is not a guarantee of the current status of the law and should not be accepted as a guarantee that a court of law or an administrative agency will concur in the opinion. If any of the facts, conditions or assumptions set forth in the opinion prove incorrect, it is likely that the tax consequences would change. The issues on which counsel to the Trust has issued the opinion to the Trust have not been definitively resolved by statutes, regulations, rulings or judicial opinions. In addition, the opinion issued to the Trust is a "should" opinion. A "should" opinion means that counsel believes that, if properly litigated by competent counsel, an Interest should be treated as an interest in real property. Accordingly, no assurances can be given that the conclusions expressed in the opinion will be accepted by the IRS or any state taxing authority, or, if contested, would be sustained by a court, or that legislative changes or administrative pronouncements or court decisions may not be forthcoming that would significantly alter or modify the conclusions expressed herein. See "Federal Income Tax Consequences."

Partnership Classification – Lender Sweep Rights. The Loan documents provide that, upon an Event of Default under the Loan documents, the Lender will have the right to access the funds of the Master Tenant and apply such funds to amounts due and owing to the Lender under the Loan documents. A "Master Lease Event of Default" means (i) any default by the Master Tenant under (a) the Master Lease, (b) the Property Level Assignment of Leases and Rents and (c) any other document executed in connection with the Master Lease. It is possible that the Lender will have the right to retain amounts in excess of the Master Tenant's obligations under the Master Lease. If the Master Tenant's assets are used to pay obligations of the Trust, a loss sharing arrangement may be created. If a loss sharing arrangement has been created between the Master Tenant and the Trust, the IRS could take the position that a partnership exists between the Trust and the Master Tenant. If the Trust were considered a partnership, the Interests would not qualify as real estate for purposes of Code Section 1031. See "Federal Income Tax Consequences."

Risk Associated with Fannie Mae Loan Documents. The Loan documents have been prepared using forms recently released by Fannie Mae for loans to Delaware statutory trusts. There are many provisions included in the Fannie Mae loan documents that provide significant control to the Lender and that blur the line between the operations of the Trust and the Master Tenant. Some of these terms may not be considered commercially reasonable. See "Federal Income Tax Consequences – Nature of Interests – Master Lease."

Unrelated Business Taxable Income. It is anticipated that if the Trust generates taxable income, such income will be considered UBTI. Tax-exempt entities should consult with their own tax counsel regarding the effect of any UBTI. See "Federal Income Tax Consequences – Investment by Tax-Exempt Entities – Unrelated Business Taxable Income."

Compliance with the Revenue Ruling. The IRS has issued the Revenue Ruling which sets forth the requirements for a Delaware statutory trust to be treated as an investment trust that is classified as a trust. If the Trust

or the Master Tenant fails to comply with the requirements of the Revenue Ruling, the Trust could be considered a partnership and the Holders will not be able to utilize the Interests as like-kind property in connection with a Code Section 1031 exchange of real property. One of the facts that is set forth in the assumptions of the Revenue Ruling is that the lease entered into by the Delaware statutory trust was a net lease where the tenant was required to pay all taxes, assessments, fees and other charges, insurance, maintenance, ordinary repairs and utilities. It is not clear whether the Master Lease will qualify as a net lease for federal income tax purposes. The Trust must pay for the Trust Obligations. Thus, the Master Lease may not comply with the factual assumptions set forth in the Revenue Ruling. If the Trust does not qualify as an investment trust, the Interests will not qualify as like-kind property for purposes of Code Section 1031.

Tenant Improvements. The Revenue Ruling includes a requirement that the Delaware statutory trust will not make more than minor nonstructural modifications to the property held in the trust, unless required by law. It is anticipated that the Master Tenant will make certain improvements at the Project and the Trust is required to pay for the Trust Obligations. It is possible that the IRS could consider the anticipated improvements to be more than minor, nonstructural changes to the Project. In such case, the Trust may not qualify as an investment trust and the Interests will not qualify as like-kind property for purposes of Code Section 1031.

Recent Form of Ownership. The utilization of a Delaware statutory trust to acquire and hold property for purposes of a Code Section 1031 exchange is a recent development under the tax laws. This ownership structure is based primarily on the Revenue Ruling, which addresses whether a trust will be treated as an “entity” taxable as a partnership or an investment trust that is classified as a trust for tax purposes. There is no direct authority other than the Revenue Ruling regarding the use of a Delaware statutory trust as an investment trust. It is possible that the IRS could determine that the Trust does not comply with the requirements of that ruling. A determination that the Trust is not taxable as an investment trust that is classified as a trust would likely have a significant adverse impact on the Holders.

Mandatory Sale. The Trust is required to sell the Project if the Trust Manager determines that the sale is appropriate (after an initial 2-year holding period). Although the Trust Manager may poll the Holders regarding any potential sale, any sale will occur without regard to the tax position, preferences or desires of any of the Holders, and the Holders have no right to approve (or disapprove) of the sale of the Project. A Holder may or may not be able to defer the recognition of gain for federal, state or local income tax purposes when this sale occurs. Under current federal income tax law, Interests in the Trust should constitute interests in real estate and, therefore, a sale of the Project should qualify for deferral of gain under Code Section 1031 if all other requirements of Code Section 1031 are met (and assuming that the Project has not been transferred (or the Trust converted) to the Springing LLC). The Trust expects to sell the Project in a manner that will qualify for deferral of gain under Code Section 1031, but there can be no assurances that any such sale will so qualify.

Transfer to the Springing LLC. In connection with the transfer by the Trust of the Project to the Springing LLC or conversion of the Trust to the Springing LLC, the Holders will receive the ownership interests in the Springing LLC in proportion to their respective percentage ownership of Interests in the Trust Estate. The transfer or conversion may result in the obligation to pay real estate transfer taxes at the time of such transfer or conversion. The Springing LLC will be treated as a partnership for federal income tax purposes. Unlike interests in the Trust, interests in the Springing LLC will not be treated as interests in real property for federal income tax purposes (including for purposes of a Code Section 1031 exchange). Thus, if the Trust makes a Transfer Distribution, Holders will not be able to defer the recognition of gain with respect to their Interests under Code Section 1031 in any future Code Section 1031 exchange. In addition, the Holders may be required to pay state and local taxes upon the sale of the Project by the Springing LLC.

A Transfer Distribution will occur under the circumstances set forth in the Trust Agreement without regard to the tax consequences that arise as a result of the transaction. Under current law, a Transfer Distribution should not be subject to federal income tax pursuant to Code Section 721. A Transfer Distribution could be subject, however, to state or local income, transfer or other taxes. In addition, there can be no assurances that a Transfer Distribution will not be taxable under the federal income or other tax laws in effect at the time the Transfer Distribution occurs. Because a Transfer Distribution could occur in several situations, it is not possible to determine all of the tax consequences to the Holders in the event that a Transfer Distribution does occur.

Failure to Qualify for Code Section 1031. The Trust has attempted to structure the purchase of an Interest as a purchase of real estate and not the purchase of an interest in a partnership. If the purchase of an Interest is treated for federal income tax purposes as purchasing an interest in a partnership rather than as undivided interests in real estate and such Holder purchases its Interest as part of a Code Section 1031 exchange, the Holder will not qualify for deferral of gain under Code Section 1031 and will immediately recognize any such gain and be subject to federal and applicable state income tax. Further, such a determination will not be made until after the Holder has purchased its Interest, and any taxes due will have to be paid by the Holder from other sources. In addition, the Trust may only sell the Project after it has held the Project for 2 years upon the Trust Manager's determination that a sale is appropriate. No opinion is being rendered whether the Holders of the Interests are holding the Interests as capital assets and not inventory.

Taxable "Boot." Amounts used to establish reserves or other items that are not attributable to the purchase of real estate will not be treated as an interest in real estate and will be "boot" which may be taxable. The reserves of the Trust are approximately \$158.72 per Interest. Of this amount, \$141.67 is attributable to the reserves funded by the Depositor, and will be "boot" which may be taxable. In addition, \$17.05 is attributable to reserves funded from Loan proceeds as a requirement of the Loan. It is possible that such amount, if sufficient additional Loan funds are allocated to the Holders in excess of the indebtedness of a Holder's prior investment, may not be treated as "boot." Further, the IRS could take the position that the increase in the purchase price of the Interests paid by the Holders (which includes loan fees and costs), over the cost to the Depositor, would not be considered as an interest in real estate and may be treated as "boot" which may be taxable. In addition, to the extent that the portion of the debt allocated with the purchase of an Interest is less than the Holder's debt on the property exchanged, such difference will constitute "boot" and may be taxable depending on the Holder's basis in the property exchanged. The TCJA eliminated the ability to enter into like-kind exchanges under Code Section 1031 for any asset other than real estate. Consequently, Code Section 1031 will not apply, and such amounts will be treated as "boot," to the extent a Holder is disposing of property that does not qualify as real estate or to the extent the Project consists of property other than real estate. The Trust acquired certain personal property in connection with the purchase of the Project. The Trust Manager has not valued such personal property. In the event any item is determined to be "boot," the taxpayer will have current income for any such "boot" up to the amount of gain on the exchange of the real property. See "Federal Income Tax Consequences – Taxable Boot."

State Taxes. Each Holder will be subject to state and local taxes in the state where the Project is located and where the Holder and its principals reside. Certain states do not follow the federal rules with respect to tax-deferred exchanges and it is not clear whether all states will treat the Trust as an investment trust. Further, certain state taxing agencies are aggressively auditing tax-deferred exchange transactions. In addition, other states have not yet approved of beneficial interests in Delaware statutory trusts as like-kind property with respect to deferred exchanges. This Memorandum does not analyze or discuss state or local tax consequences. Each prospective Holder should consult their own tax advisors regarding the tax consequences of the purchase of an Interest in the state where they reside and where the Project is located. The TCJA limits the itemized deductions of individuals for state and local taxes to \$10,000 of income taxes, sales taxes and property taxes. The new \$10,000 limitation does not apply to property taxes that are incurred in carrying on a trade or business or an activity for the production of income. It is anticipated that state and local income taxes incurred by the Holders as a result of the acquisition of an Interest will be subject to the new limitation. See "Federal Income Tax Consequences – State and Local Taxes."

Identification of Property. The Treasury Regulations require a purchaser of property who is participating in a Code Section 1031 exchange to identify the replacement property. There are several alternate methods under which one may identify replacement property. Each Holder should consult with its own tax consultants regarding how to identify replacement property.

True Lease. The Master Lease must be a true lease for income tax purposes. If the Master Lease is not a true lease for federal income tax purposes, the Trust and the Master Tenant could be considered to be in an agency or financing relationship which would result in the Trust not being an investment trust. The test for determining if a lease is a true lease is a factual one and focuses on (i) who controls the property and (ii) who bears the economic risk of loss in respect of the Project. While the Master Tenant controls the day-to-day operations of the Project, the Trust is required to pay for the Trust Obligations. Thus, the structure of the Master Lease is not consistent with the factual assumptions set forth in the Revenue Ruling. Counsel to the Trust has relied on a certificate from the Trust Manager regarding certain items related to the Master Lease including whether the arrangements in the Master Lease are customary in the market. Thus, it is possible the Master Lease will not be treated as a true lease for income tax

purposes. If the Master Lease fails to be treated as a true lease and the Master Tenant is treated as an agent of the Trust, the activities of the Master Tenant would be attributed to the Trust and the Trust could be treated as a partnership.

Possible Disallowance of Various Deductions. The availability, timing and amount of deductions or income will depend not only on general legal principles but also on various determinations that are subject to potential controversy on factual and other grounds. Such determinations could include, among other things, the allocation of basis to buildings, land, leaseholds and personal property. If the IRS were successful, in whole or in part, in challenging a Holder on these issues, the federal income tax benefits of an investment in an Interest might be materially reduced.

Limitations on Losses and Credits from Passive Activities. Deductions in excess of income, i.e., losses from passive trade or business activities, generally may not be used to offset “portfolio income,” i.e., interest, dividends and royalties, or salary or other active business income. Deductions from passive activities may generally be used to offset income from passive activities. Credits from passive activities generally are limited to the tax attributable to the income from passive activities. Passive activities include trade or business activities in which the taxpayer does not materially participate and rental activities. A Holder will not materially participate in the Project. Thus, the Holder’s income and loss from the Project will constitute income and loss from passive activities. See “Federal Income Tax Consequences – Certain Tax Consequences Regarding Ownership of an Interest – Limitations on Losses and Credits from Passive Activities.”

Taxable Income in Excess of Cash Receipts. It is possible that a Holder’s taxable income resulting from its Interest will exceed the cash flow attributable thereto. This may occur because funds received by the Trust may be taxable income to the Holder while the Trust may use such funds for nondeductible operating or capital expenses of the Project, such funds may be held in reserves or during a cash sweep event under the Loan (as described herein). Thus, there may be years in which a Holder’s tax liability exceeds its share of cash distributions from the Trust. The same tax consequences may result from a sale or transfer of an Interest, whether voluntary or involuntary, and may produce ordinary income or capital gain or loss. See “Income in Excess of Cash Receipts” and “Treatment of Gain or Loss on Disposition of Interests” under “Federal Income Tax Consequences – Certain Tax Consequences Regarding Ownership of an Interest.”

Alternative Minimum Tax. The alternative minimum tax applies to designated items of tax preference. The limitations on the deduction of passive losses also apply for purposes of computing alternative minimum taxable income. See “Federal Income Tax Consequences – General Considerations – Alternative Minimum Tax.”

Accuracy-Related Penalties and Interest. If an income tax audit disallows a Holder’s deductions, prospective Holders should be aware that the IRS could assess significant penalties and interest on tax deficiencies. See “Federal Income Tax Consequences – Accuracy-Related Penalties and Interest.”

Changes in Federal Income Tax Law. Congress has recently enacted several major tax bills that substantially affect the tax treatment of real estate investments including, but not limited to, the TCJA and the tax provisions of the Coronavirus Aid, Relief, and Economic Security Act of 2020 (the “CARES Act”). These changes will have a substantial effect on the type of activities in which the Trust intends to engage, and certain of those effects are set forth under the appropriate subheadings under “Federal Income Tax Consequences.” In many instances, Congressional Committee reports have been relied upon for the interpretation and application of these new statutory provisions. While the Code authorizes the Treasury Department to issue extensive substantive regulations regarding recently adopted Code provisions, few have been issued to date. In addition, Congress could make substantial changes in the future to the income tax consequences with respect to an investment in an Interest. Congress could make changes in the future to eliminate Code Section 1031 in its entirety or with respect to Interests in the Trust. Substantial changes to the Code may take place in the future, which may have substantial negative effect with respect to an investment in the Trust. The extent and effect of such changes, if any, are uncertain.

Tax Opinion. The Trust has received an opinion of counsel regarding the tax treatment of the Interests. This opinion is based on certain factual assumptions. In the event any of these assumptions are inaccurate or change after the date the opinion was issued, the opinion may no longer be applicable.

Tax Opinion Relies on Tax Certificate. Counsel to the Trust has rendered an opinion to the Trust that (i) after the effective date of the Conversion Notice, the Trust should be treated as an investment trust described in

Treasury Regulations Section 301.7701-4(c)(1), that is classified as a “trust” for federal income tax purposes and (ii) the Holders should be treated as owning an undivided beneficial interest in the Trust’s assets, including the Project, in proportion to their Interests for purposes of Code Section 1031. This opinion is based, in part, on certain representations and certifications made in the Tax Certificate regarding certain factual matters related to the Trust, the Master Lease and the Project including that the rent arrangement is not an attempt to base rent on net income or profits from the Project and that the Master Lease is a bona fide lease. If these representations and certifications are no longer true, the conclusion set forth in counsel’s opinion may not be applicable.

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

For a further discussion on the tax aspects of an investment in an Interest, see “Federal Income Tax Consequences.”

ESTIMATED USE OF PROCEEDS

The following table sets forth certain information concerning the estimated use of the Offering Proceeds:

<u>Purchase Price For 1 Interest</u>	<u>Use</u>			
\$5,000 of equity (\$4,914.39 in allocation of debt) per 1 Interest	\$5,000 to redeem 1 Class B beneficial interest held by the Depositor ^(*)			
<p>* The Depositor will acquire all of the Class B beneficial interests, and the Trust will redeem all of the Class B beneficial interests held by the Depositor for \$33,000,000 from the proceeds of the Offering. This amount is greater than the amount contributed by the Depositor (\$25,862,556) for the Class B beneficial interests. The following describes how the Depositor and the Trust will use the funds raised in the Offering⁽¹⁾:</p>				
Use	Amount from Offering Proceeds (Equity)	Amount from Loan Proceeds	Percentage of Maximum Offering Amount (Equity)	Percentage of Overall Expenditures ⁽²⁾
Acquisition of Real Estate (\$57,250,000)				87.49%
Proceeds from Equity	\$ 24,927,556		75.54%	
Proceeds from Debt		\$ 32,322,444		
Real Estate Finder's Fee	\$ 572,500		1.73%	0.88%
Due Diligence Expenses	\$ 50,000		0.15%	0.08%
Closing Costs	\$ 452,024		1.37%	0.69%
Loan and Lender Expenses ⁽³⁾	\$ 965,420		2.93%	1.48%
Carry Costs	\$ 660,000		2.00%	1.01%
Selling Commissions ⁽⁴⁾	\$ 1,980,000		6.00%	3.03%
Broker-Dealer Allowance ⁽⁵⁾	\$ 330,000		1.00%	0.50%
Lead Placement Agent Fees ⁽⁶⁾	\$ 330,000		1.00%	0.50%
Wholesaler Fee ⁽⁷⁾	\$ 330,000		1.00%	0.50%
Organization and Offering Expenses	\$ 247,500		0.75%	0.38%
Reserves ⁽⁸⁾	\$ 935,000	\$ 112,556	2.83%	1.60%
Total Amount Retained (fee) by Depositor ⁽⁹⁾	\$ 1,220,000		3.70%	1.86%
Total Uses from Offering Proceeds (Equity)	\$ 33,000,000			
Total Uses from Loan Proceeds		\$ 32,435,000		
Total Uses of Proceeds			100.00%	100.00%

- (1) This table has been included for purposes of informing prospective Holders about the compensation and expenses that have been, or will be, received or incurred in connection with the Offering. The total proceeds exceed the amount contributed by the Depositor for its Class B beneficial interests. This table does not address the allocation for federal income tax purposes of the amount paid by a Holder for its Interest. Prospective Holders should discuss with their own tax advisors the tax treatment of the purchase of an Interest.
- (2) This percentage was calculated by dividing (i) the expenditures by (ii) the Maximum Offering Amount (\$33,000,000) and the total amount of the Loan (\$32,435,000) which was used to acquire the Project.
- (3) Includes a loan fee in the amount of \$324,000, which will be paid to a principal of CORE Pacific.
- (4) Selling Commissions in an amount up to 6.0% of the Total Sales will be paid to the Managing Broker-Dealer, which the Managing Broker-Dealer will either pay to affiliates of the Managing Broker-Dealer, some of which may be internal to Affiliates of the Trust Manager, or reallow to the Selling Group Members.

- (5) The Managing Broker-Dealer will receive a nonaccountable marketing and due diligence allowance in an amount equal to 1.0% of the Total Sales which it may reallow to the Selling Group Members (which may include the Managing Broker-Dealer and its affiliates).
- (6) The Managing Broker-Dealer will receive a placement fee in an amount equal to 1.0% of the Total Sales, some of which may be reallocated to affiliates of the Managing Broker-Dealer.
- (7) The Managing Broker-Dealer will receive a fee equal to 1.0% of the Total Sales which it will reallow, in whole or in part, to certain wholesalers, some of which are internal to Affiliates of the Trust Manager.
- (8) Reserves from equity include a \$650,000 capital reserve, a \$250,000 tenant improvement reserve and the \$35,000 Reimbursement Reserve.
- (9) With this amount retained from the Offering Proceeds, the Depositor estimates that it will use approximately \$250,000 to establish reserves for the Master Tenant, which reserves will be retained by the Master Tenant to the extent not used. In addition, CORE Pacific will receive an acquisition fee of \$895,000 and an administration fee of \$75,000.

DESCRIPTION OF THE MARKET

The information contained in this “Description of the Market” section was obtained from various sources including, without limitation, the Appraisal and other sources (as identified), including the Trust Manager’s own findings. The Trust Manager has no reason to believe that the information is not accurate; however, no assurance can be given that such information is, in fact, accurate.

The Economy and Demographics

The Project is located in Oklahoma City in Oklahoma County, Oklahoma. According to the Appraisal, the Project benefits from convenient access to the area’s extensive transportation network, including several interstate and state highways and the Will Rogers World Airport, and some of the area’s largest employment centers, including Tinker Air Force Base and downtown Oklahoma City. The Appraisal notes that most of the area improvements in the Project’s neighborhood are in average to good condition with portions of the neighborhood in a transitional state, as evidenced by renovations of older retail, lodging and multifamily developments and the razing of older improvements for construction of newer improvements. The Project is located adjacent to the industrial-chic Bricktown, a lively entertainment district with repurposed warehouse spaces that are home to restaurants, piano lounges, chic wine bars and an eclectic mix of shops selling clothing, home décor and specialty food items. The Bricktown Water Taxi takes riders along the Bricktown Canal for tours and dinner cruises. The Project’s neighborhood also includes numerous retailers, restaurants, entertainment venues, museums and other attractions.

According to the Appraisal, the Project is located in the central portion of the Oklahoma City metropolitan statistical area (the “OKC MSA”), which had an estimated population of 1.425 million in 2020 according to the U.S. Census Bureau. The Appraisal states that OKC MSA’s economy is on solid ground and job growth pace is more dynamic and the recovery more complete than in Tulsa or the state of Oklahoma. The metro area’s crucial goods-producing industries have rebounded strongly with manufacturing making huge strides and mining finally narrowing its losses. The OKC MSA has a high concentration of aerospace manufacturers which will be a key source of stability for the area according to the Appraisal. The presence of Tinker Air Force Base and Mike Monroney Aeronautical Center have resulted in a number of aerospace firms making the OKC MSA their home, including Boeing, which recently relocated 800+ employees to area, and Northrop Grumman. Tinker Air Force Base has more than 26,000 military and civilian employees and is the largest single-site employer in the state of Oklahoma. According to the Appraisal, the energy industry will hit its stride in the second half of 2021 as reflected by the number of active rigs in Oklahoma increasing by almost 70% since the beginning of 2021, however, it will take time for energy producers to translate higher production into hiring, and consumer industries will struggle as a result.

The Appraisal states that although the OKC MSA was affected by the COVID-19 pandemic, the unemployment rate is closer to its pre-crisis range as compared to national and regional rates, which coupled with rising labor force, suggests that workers are optimistic about the job market. The unemployment rate for the OKC MSA is 3.4% according to the Moody Analytics report included in the Appraisal and it is predicated to fall to 2.9% in 2022.

Local Market Analysis

According to the Appraisal, the Project is located in the South Oklahoma City submarket. As reflected in the table below, the population within a 1-mile radius of the Project is expected to grow to an estimated 8,469 in 2022 up from 6,883 in 2010. The number of households is also expected to increase as new developments are built. The Appraisal states that the Project’s neighborhood is generally considered a stable area, as the population has been slowly increasing over the past several decades. BBG regards the neighborhood as a viable location for small scale commercial real estate projects that meet the needs of the local population and concludes that the neighborhood will continue to adequately support the Project in the foreseeable future.

Selected neighborhood demographics from the 1-, 3- and 5-mile radii from the Project are shown in the following table.

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY TRADE AREA			
Description	1 Mile Radius	3 Mile Radius	5 Mile Radius
	Totals	Totals	Totals
Population			
2027 Projection	8,730	77,123	217,149
2022 Estimate	8,469	75,657	212,620
2010 Census	6,883	71,293	201,225
2000 Census	6,355	71,130	197,577
2021 Est. Median Age	36.68	34.12	34.20
2021 Est. Average Age	38.79	35.66	35.71
Households			
2027 Projection	3,243	30,479	84,345
2022 Estimate	3,088	29,790	82,588
2010 Census	2,123	27,500	78,021
2000 Census	1,801	27,461	80,004
2022 Est. Average Household Size	1.56	2.36	2.49
2022 Est. Households by Household Income (%)			
Income Less than \$15,000	21.6	19.6	15.9
Income \$15,000 - \$24,999	5.9	11.3	11.2
Income \$25,000 - \$34,999	6.0	10.9	11.3
Income \$35,000 - \$49,999	8.6	13.7	15.5
Income \$50,000 - \$74,999	16.0	15.8	18.4
Income \$75,000 - \$99,999	9.6	9.1	10.4
Income \$100,000 - \$124,999	7.0	6.1	6.2
Income \$125,000 - \$149,999	5.3	3.6	3.6
Income \$150,000 - \$199,999	7.7	4.0	3.3
Income \$200,000 - \$249,999	4.7	2.4	1.7
Income \$250,000 - \$499,999	5.1	2.2	1.6
Income \$500,000 and more	2.4	1.3	0.8
2022 Est. Average Household Income	\$96,682	\$69,466	\$65,639
2022 Est. Median Household Income	\$61,894	\$43,524	\$45,903
2022 Est. Tenure of Occupied Housing Units (%)			
Owner Occupied	14.3	38.6	49.9
Renter Occupied	8.4	16.6	17.0
2022 Est. Median All Owner-Occupied Housing Value	\$229,585	\$133,291	\$110,096

Source: 2022 Claritas, Inc., Environics Analytics

Source: Appraisal

Lease Comparables

The Appraisal lists 5 multifamily properties that directly compete with the Project. The table below provides certain comparable information for the Project and the competing properties.

COMPARABLE RENTAL SURVEY									
No.	Property Name	No. Units	Year Built	Avg Unit Size (SF)	Avg Asking Rent (\$/mo.)	Avg Asking Rent (\$/SF)	Avg Effective Rent (\$/mo.)	Avg Effective Rent (\$/SF)	Occup.
1	The Edge at Midtown	250	2013	832	\$1,553	\$1.87	\$1,553	\$1.87	93%
2	The Metropolitan Apartments	329	2016	884	\$1,580	\$1.81	\$1,580	\$1.81	92%
3	The Mosaic	97	2015	988	\$1,634	\$1.65	\$1,634	\$1.65	98%
4	Aviare Arts District	303	2007	938	\$1,349	\$1.46	\$1,349	\$1.46	96%
5	The Steel Yard	250	2017	793	\$1,291	\$1.66	\$1,291	\$1.66	91%
	Minimum	97	2007	793	\$1,291	\$1.46	\$1,291	\$1.46	91%
	Maximum	329	2017	988	\$1,634	\$1.87	\$1,634	\$1.87	98%
	Average	246	2014	887	\$1,481	\$1.69	\$1,481	\$1.69	94%
	Subject	299	2014 & 2016	845	\$1,355	\$1.60	\$1,355	\$1.60	93%

Source: Appraisal

DESCRIPTION OF THE PROJECT

Overview

The Project is a 299-unit apartment community known as The Maywood Apartments located at 425 N. Oklahoma Avenue, Oklahoma City, Oklahoma. The Project is situated on approximately 2.13 acres and consists of two 4-story residential buildings, each with a 2-level below grade parking garage, and approximately 8,150 square feet of ground floor commercial space. The Maywood I building was completed in 2014 and the Maywood II building was completed in 2016. The Project offers a diverse mix of 1-, 2- and 3-bedroom units with an average size of 845 square feet. The Project offers a wide range of amenities including a swimming pool, fitness center, clubhouse with kitchen and terrace, media/game room and business center. According to the Survey, the Project has a total of 485 parking spaces including 14 handicap spaces in the parking garages. The Project is leased at an occupancy rate of approximately 91.1% as of January 24, 2022 according to the Rent Roll.

Project Location

The Project is located in Oklahoma City, Oklahoma just north of the Bricktown district, an industrial-chic entertainment district with numerous restaurants, bars, shops and other venues. Primary access to the Project's neighborhood is provided by NEK Gaylord Blvd. and NE 4th Street, with convenient access to IH-235, IH-40 and IH-35. The Will Rogers World Airport is located approximately 11 miles southwest of the Project.



Source: Appraisal

Project Improvements

According to the Need Assessment, the Project consists of approximately 490,858 square feet of gross building area and approximately 252,568 square feet of net rentable area. The Project improvements include a total

of 299 apartment units, with an average unit size of 845, comprised of (i) 187 one-bedroom units ranging from 602 to 910 square feet, (ii) 109 two-bedroom units ranging from 935 to 1,175 square feet, and (iv) 3 three-bedroom units, each 1,459 square feet. According to the Needs Assessment, the Project is in good overall condition.

The following is a brief description of certain improvements of the Project and the basic construction features of the residential buildings derived from the Needs Assessment and the Appraisal.

- The Project slopes gently to the west. Storm water is directed to catch basins that discharge into the municipal storm drain system.
- Vehicle access drives and the parking garages are paved with concrete, with concrete curbs and gutters located at all drive areas. Concrete sidewalks provide access to the buildings throughout the Project. Outdoor lighting consists of bollards along walkways, pole-mounted lighting in the parking areas and security lighting mounted in building soffits.
- Each residential building includes a 2-level below grade parking garage. The Project has a total of 485 parking spaces, including 14 handicap spaces. Access to the parking garages are limited to tenants and is controlled by an automatic card-key system.
- Foundations consist of concrete slab over prepared base with spread footings and reinforced column pads (based on experience and geographic location). The buildings are constructed of concrete at the parking garage levels and ground floor, with conventional wood stud framing at the upper floors. Floor framing consists of oriented strand board at the upper floors, topped with a layer of lightweight concrete.
- Roof framing consists of manufactured wood trusses supporting oriented strand board. Roof coverings consist of thermoplastic membrane over a flat roof construction. Internal roof drains are positively connected to the municipal storm drain system.
- Interior stairs are steel-framed with concrete-filled pan treads and metal balusters and handrails. The Maywood I building has 2 elevators and the Maywood II building has 3 elevators. Unit balconies are constructed of concrete over wood framing.
- The building exterior walls are finished with brick veneer and fiber-cement board siding. The interior walls and ceilings of the residential units are constructed of painted drywall. Doors to the individual units are painted metal doors in painted wood frames. Windows are double-paned glass in aluminum frames.
- Residential units are equipped with standard kitchen appliances as well as washers and dryers. Kitchens are equipped with stainless steel sinks, stained hardwood veneer cabinets and solid surface synthetic stone countertops. Floor finishes include carpeting, ceramic tile and wood laminate.
- Landscaping at the Project consists of hardy variety plants and grass-covered lawns near the entry and in limited areas surrounding the Project. An irrigation system is installed at the Project. There is no fencing or perimeter walls at the Project.

Environmental Conditions

GRS did not identify any RECs, CRECs, HRECs or environmental issues at the Project.

Wind Zone

According to FEMA, the Project is located in Wind Zone IV and in an area that is at high risk for tornados. Wind Zone IV has a design wind speed (3-second gusts) of up to 250 miles per hour. It is not anticipated that the Trust or the Master Tenant will obtain separate wind insurance for the Project but it is anticipated that wind damage will be included as part of the property insurance policy obtained for the Project.

Easements, Restrictions, Encroachments and Agreements

The Project is subject to several easements and agreements, including permanent access, right-of-way, private access, water line, electric, sanitary sewer line and utility easements. The easements and agreements include covenants, conditions and restrictions. Certain vehicular and pedestrian access to the Project is through a private access easement. In addition, there are several restrictive agreements which contain covenants, conditions and restrictions relating to the use and improvements at the Project. There may be third party rights to minerals, oil and gas located beneath the Project. According to the Survey, the buildings encroach on a natural gas and pipeline easement and a telephone line easement.

Associations

The Project is part of the Maywood Park Owners Association, Inc. and subject to the Maywood CCRs. The Maywood CCRs applies to the Development, which includes the Project. The Maywood CC&Rs impose certain covenants, conditions and restrictions relating to the Project and also impose periodic maintenance assessments. The Project is also part of the Block Eye Owners Association, LLC and subject to the Block CC&Rs. The Block CC&Rs applies to the Block, which includes the Project. The Block CC&Rs impose certain covenants, conditions and restrictions relating to the Project and also impose periodic maintenance assessments. The Trust is responsible for paying periodic assessments and any special assessments imposed by the Maywood Association and the Block Association.

Floodplain

According to the Needs Assessment, the Project is located in Flood Zone X (unshaded), which is not considered a special flood hazard. The Lender did not require the Trust to obtain flood insurance.

Zoning

According to the Zoning Report, the Project is zoned DBD Downtown Business District. The Zoning Report states that the Project's use, improvements and parking are legally conforming, and there are no open zoning code violations.

Necessary Improvements and Repairs

The Needs Assessment was prepared by GRS based on a visual walkthrough of the Project on November 12, 2021. The Needs Assessment characterizes the Project as being in good overall condition. In GRS's opinion, the remaining useful life of the Project is approximately 40 years. According to the Needs Assessment, there are \$20,500 of immediate costs. The Needs Assessment indicates that the estimated requirements for modified capital reserve expenditures are \$193 per unit per year (un-inflated) or \$238 per unit per year (inflated). Based on this estimate, GRS recommends the establishment of a modified capital reserve of \$854,642 for a 12-year hold period, as adjusted for inflation, for such items.

Compliance with the Americans with Disabilities Act

GRS noted in the Needs Assessment that the Project's rental office and the areas of the Project available for rental to or membership of non-residents should be ADA compliant. According to the Needs Assessment, based on a visual survey of accessible areas for general compliance with ADA requirements, GRS did not observe any material deficiencies.

Compliance with the Fair Housing Act and the Fair Housing Amendment Act

According to the Needs Assessment, GRS did not find any material deficiencies at the Project with respect to conformance with the FHA and FHAA requirements.

Appraised Value

According to the Appraisal, the “as-is” appraised market value of the Project as of November 16, 2021 was \$59,000,000. The Holders will purchase the Interests in the Trust based on an assumed Project value of \$64,387,444 (\$65,435,000 less the Trust Reserves (\$935,000) and the Lender held reserves in the amount of \$112,556).

Description of Form of Apartment Lease

Residential units in the Project are currently leased to tenants pursuant to a form of lease which includes the following basic terms. Pursuant to the form of lease, the tenant pays for utilities such as electricity, water, sewer, stormwater, trash and pest control services. The form lease also requires tenants to purchase personal liability insurance. The lease automatically renews on a month-to-month basis unless either the Master Tenant or the tenant give 60 days’ written notice of termination. If a tenant holds over and does not vacate the apartment when required, then (i) the tenant is required to pay holdover rent in advance on a daily basis and such rent may become delinquent without notice or demand, (ii) rent for the holdover period will be twice the average monthly rent if the holdover is willful and in bad faith, (iii) the tenant will be liable to the Master Tenant for actual damages arising out of the full term of the previously signed lease of a new resident who cannot occupy because of the holdover and (iv) at the Master Tenant’s option, the Master Tenant may extend the lease term for up to 1 month from the date of notice of lease extension by delivering written notice to the tenant while the tenant continues to hold over. In certain circumstances, tenants who are military personnel may terminate their lease prior to the end of the term as provided under federal and state laws. Tenants may also terminate their lease in the event of certain delays in the tenant’s occupancy due to construction, repairs, cleaning or a previous resident’s holding over. Subletting the apartment and assignment of the lease are permitted only when the Master Tenant consents in writing. Tenants are allowed to have pets only with the prior written consent of the Master Tenant and the execution and performance of an animal addendum with an additional animal deposit fee.

Commercial Leases

The Project is subject to 3 commercial leases. Culinary Edge, LLC (“Culinary Edge”) leases approximately 8,150 square feet of restaurant space pursuant to a Commercial Lease with an effective date of October 1, 2017 (the “Restaurant Lease”). The Restaurant Lease expires on September 30, 2022 and includes an option to extend for 5 additional years upon notice by Culinary Edge. The Trust Manager has received notice that Culinary Edge will extend the Restaurant Lease and the tenant is currently making modifications to the restaurant space. The current base rent under the Restaurant Lease is \$12,225 per month and the base rent will increase to \$14,262.50 per month during the extension period commencing on October 1, 2022. Culinary Edge is also responsible for a pro rata share of taxes, real estate and insurance charges, with a minimum of \$200 per month. Larry Jones d/b/a Bricktown Autobath & Shine (“Bricktown”) leases approximately 1,337 square feet of space in the parking garage for a car detail service pursuant to a Commercial Lease with an effective date of December 1, 2017 (the “Car Detail Lease”). Bricktown also has access to 4 parking spaces located adjacent to the space which may be used only when such spaces are not otherwise occupied. The Car Detail Lease expires November 30, 2022 with an option to extend for 5 additional years upon notice by Bricktown. The current rent under the Car Detail Lease is \$500 per month plus \$100 per month for taxes, real estate and insurance charges. The rent under the Car Detail Lease will increase to \$750 per month during the extension period. Lamar Companies leases space for a billboard at the Project pursuant to a Sign Location Lease dated January 25, 2013 (the “Billboard Lease”). The Billboard Lease expires January 31, 2033 and renews year to year unless termination notice is provided by either party. The current annual rent under the Billboard Lease is \$1,150.

DESCRIPTION OF THE MASTER LEASE

General

The Trust entered into the Master Lease with the Master Tenant, which is attached hereto as Exhibit D. The entire Master Lease should be reviewed before investing. The following is only a summary of some of the significant provisions of the Master Lease and is qualified in its entirety by reference thereto.

Term

The Trust leased the entire Project to the Master Tenant for a term of 10 years pursuant to the Master Lease. The Projections prepared by the Trust Manager assume that the Project will be sold in year 10 at the end of the Loan term. The Master Lease will terminate upon the sale of the Project by the Trust.

Rent

During the term of the Master Lease, the Master Tenant will pay Base Rent in arrears on the 5th day of each calendar month as follows:

<u>Lease Period</u>	<u>Monthly Base Rent</u>	<u>Annual Base Rent</u>
Year 1*	\$217,083.33	\$2,605,000
Year 2	\$220,339.58	\$2,644,075
Year 3	\$223,644.67	\$2,683,736
Year 4	\$226,999.33	\$2,723,992
Year 5	\$230,404.33	\$2,764,852
Year 6	\$237,316.50	\$2,847,798
Year 7	\$244,436.00	\$2,933,232
Year 8	\$251,769.00	\$3,021,228
Year 9	\$259,322.08	\$3,111,865
Year 10*	\$267,101.75	\$3,205,221

* Year 1 began on the date the Trust entered into the Loan and will end on December 31, 2022. All other Years are based on a calendar year. The first month's rent will be pro rata for the actual number of days from the closing date (December 30, 2021) through the end of the first month.

The Projections prepared by the Trust Manager assume that the Project will be sold on or before the date on which the 10-year Loan matures.

The Master Tenant, as an administrative convenience and only to the extent of Base Rent and on behalf of the Trust, will pay all principal, interest and impounds directly to the Lender on behalf of the Trust. Any remaining amounts of Base Rent will be paid to the Trust.

Debt Service

The Trust is responsible for paying the debt service under the Loan.

Trust Obligations

The Trust Obligations are described in "Summary of the Offering – Trust Obligations."

Taxes

The Master Tenant is responsible for paying all taxes for the Project. Under the terms of the Master Lease, the Master Tenant is required to pay the Trust, as Additional Rent (as defined in the Master Lease), an amount equal to the taxes relating to the Project payable by the Trust.

Hazardous Substances

The Trust is responsible for the Landlord's Hazardous Substance Costs as defined in the Master Lease.

Insurance

The Trust is responsible for maintaining, at the Master Tenant's expense, the following insurance: (i) all risks property insurance, (ii) boiler and machinery insurance, (iii) flood insurance, if required by the Master Lease or the Lender, (iv) builder's risk insurance for any changes or alterations and (v) any insurance required to be obtained by the Trust in the Loan documents. Under the terms of the Master Lease, the Master Tenant is required to pay the Trust, as Additional Rent, an amount equal to the insurance premiums relating to the Project payable by the Trust.

The Master Tenant is responsible for the following insurance: (i) comprehensive general liability insurance including contractual liability insurance specifically covering the indemnification obligations of the Master Tenant under the Master Lease, (ii) insurance against loss of profits or rental under a business interruption insurance policy or under a rental value insurance policy covering risk of loss due to hazards covered by the Trust's insurance obligations under the Master Lease and (iii) any insurance required to be obtained by the Master Tenant in the Loan documents.

Utilities

The Master Tenant is responsible for all utilities for the Project.

Casualty and Condemnation Restoration

The Master Tenant is responsible for paying any expenses related to repairing or restoring the Project after a casualty or condemnation, including any capital repair expenses related to the structures and foundations resulting from such casualty or condemnation. In the event of a casualty, the Master Tenant will be entitled to use all available insurance proceeds to restore the Project. If insurance proceeds are insufficient to complete the restoration, the Trust will fund any excess costs and expenses needed to complete the restoration. In the event that a condemnation proceeding results in the taking of part of the Project and the Master Lease is not terminated, the Trust will make available to the Master Tenant all condemnation proceeds and the Trust will fund any excess costs and expenses needed to complete the restoration.

Operating Expenses

The Master Tenant is obligated to pay all costs associated with the operation, maintenance, repair and leasing of the Project (other than the Trust Obligations), including all operating costs, costs of repairs and maintenance and costs of capital improvements.

Capital Improvements

Pursuant to the Master Lease, the Master Tenant is responsible for the Capital Expenditures (as defined in the Master Lease) at the Project (other than those Capital Expenditures included in the Trust Obligations). The Trust is responsible for paying for those included in the Trust Obligations and the Master Tenant is required to perform the Capital Expenditures. The Trust has established Operating Reserves for the Trust Obligations.

Notwithstanding the above, the Trust and the Master Tenant are prohibited from making any modifications to the Project other than minor nonstructural modifications or as required by law.

Subleases

The Master Lease provides the Master Tenant with the right to sublease the Project without the consent of the Trust, provided that the Master Tenant will remain liable to the Trust for its obligations under the Master Lease and such subleases comply with certain requirements set forth in the Master Lease.

Defaults and Remedies

The Master Tenant will be in default under the Master Lease upon (i) a failure to pay Base Rent or any Additional Rent or any required amounts when due, which failure is not cured within 10 days of written notice, (ii) a failure to observe or perform any of the terms and conditions of the Master Lease, which failure is not cured within 30 days after written notice, unless such failure cannot be cured within 30 days and the Master Tenant promptly and diligently cures such failure, (iii) the leasehold being taken on execution or other process of law in an action against the Master Tenant, (iv) the filing of a voluntary petition in bankruptcy or an adjudication of bankruptcy or insolvency, (v) any levy or attachment on the Master Lease or the leasehold of Master Tenant and such attachment is not vacated within 120 days, (vi) the dissolution or termination of the Master Tenant, (vii) the Master Tenant's general assignment for the benefit of creditors, (viii) any material misrepresentation or warranty made by the Master Tenant under the Master Lease which is not remedied within 30 days after written notice, (ix) the Master Tenant's taking or failure to take any action which is in violation of the Loan and is not cured as required under the Loan, (x) while the Loan is outstanding, the amendment or alteration of the single asset entity provisions in the Master Tenant's limited liability company agreement or violation of the terms of such provisions and (xi) while the Loan is outstanding, the transfer of a direct or indirect interest in the Master Tenant without the prior written consent of the Trust.

Upon the Master Tenant's default under the Master Lease, the Trust will have the right to (i) terminate the Master Lease with 10 days prior written notice, (ii) terminate the Master Tenant's right to occupy the Project and reenter and take possession of the Project with 10 days prior written notice, (iii) assume the Master Tenant's obligations under the Master Lease and require that the Master Tenant reimburse the Trust for the cost incurred by the Trust to satisfy the Master Tenant's obligations and (iv) exercise all other remedies available to the Trust at law or in equity.

Termination of the Master Lease

If a Master Lease Termination Event occurs and is continuing, the Lender has right to terminate or direct the Trust to terminate the Master Lease. A "Master Lease Termination Event" means (i) any default by the Master Tenant under (a) the Master Lease, (b) the Property Level Assignment of Leases and Rents and (c) any other document executed in connection with the Master Lease and (ii) the occurrence of a Foreclosure Event (as defined in the Loan documents). Thus, certain actions by the Master Tenant could require the Trust to convert to a limited liability company which would cause the Holders to lose the ability to participate in a Code Section 1031 exchange upon the sale or other disposition of the Project.

Indemnification

The Master Tenant is required to indemnify the Trust from any and all claims, demands, causes of action, losses, damages, fines, penalties, liabilities, costs and expenses including reasonable attorneys' fees and court costs, sustained or incurred by or asserted against the Trust in connection with anything and everything arising from or out of (i) any injury, illness or death to any person or damage to any property from any cause occurring in or upon or in any other way relating to the Project, (ii) the occupancy of the Project or any part thereof by, through or under the Master Tenant and (iii) the Master Tenant's breach of the Master Lease; provided, however, that in no event will the foregoing indemnity apply to any damages arising out of, or because of, the negligence or willful misconduct of the Trust or its agents, employees, officers and directors.

Master Tenant Capitalization

The Master Tenant is a Delaware limited liability company that was formed on December 3, 2021. CORE Pacific is the sole member of the Master Tenant. The Master Tenant has been capitalized with a \$500,000 principal amount demand promissory note from CORE Pacific which is guaranteed by the Guarantor Principals. In addition, the Master Tenant will have \$250,000 in reserves which was received by CORE Pacific as compensation pursuant to the Offering and contributed to the Master Tenant. The Master Tenant's sole source of income from which it will

satisfy its obligations pursuant to the Master Lease, including the payment of rent to the Trust, is expected to be from the operation of the Project. The Master Tenant may, but has no obligation to, use other funds available to the Master Tenant and CORE Pacific to pay for its obligations under the Master Lease. CORE Pacific has no current intent to supplement the above described amounts with funds from other sources.

Reimbursement Reserve

The Trust and the Master Tenant entered into an Agreement for Reserve (the “Reserve Agreement”) effective as of the closing date of the Loan, whereby the Trust agreed to establish a segregated bank account (the “Reserve Account”) and to deposit the Reimbursement Reserve (\$35,000) in the Reserve Account to be held exclusively for the benefit of the Master Tenant. The Trust may only withdraw funds from the Reimbursement Reserve to reimburse the Master Tenant for any amounts withdrawn by the Lender from the Clearing Account in excess of the amounts that the Master Tenant is obligated to pay to the Trust under the terms of the Master Lease. The Trust is not permitted to deposit funds into, or hold any funds in, the Reserve Account other than the Reimbursement Reserve. The Trust may not pledge, assign, encumber or transfer the Reserve Account in any manner during the term of the Reserve Agreement. The Trust is required to maintain the Reimbursement Reserve in the Reserve Account until the earlier of (i) the termination of the Loan agreement with the Lender, (ii) the exhaustion of the funds in the Reimbursement Reserve and (iii) a termination of the Master Lease and payment of all obligations set forth in the Reserve Agreement. If at any time during the term of the Reserve Agreement the Trust believes that reimbursements to the Master Tenant from the Reimbursement Reserve will exceed \$35,000, in the aggregate, the Trust will take reasonable efforts to convert the Trust into the Springing LLC as provided in the Trust Agreement.

ACQUISITION TERMS

Acquisition of the Project

Purchase of the Project. The Depositor deposited into the Trust (i) \$24,927,556 for the acquisition of the Project and (ii) the Trust Reserves and in exchange for 6,600 Class B beneficial interests in the Trust representing all of the beneficial interests in the Trust. The Trust purchased the Project from the Seller.

As-Is Purchase of the Project. The Trust acquired the Project “as is,” “where is,” “with all faults,” and with limited representations and warranties from the Seller, including with respect to environmental matters, the existence of hazardous materials, or matters affecting the condition, use and ownership of the Project. The Trust will sell Interests to the Holders “as is” with no representations or warranties, including with respect to environmental matters, the existence of hazardous materials, or matters affecting the condition, use and ownership of the Project. As a result, if defects in the Project or other matters adversely affecting the Project are discovered, the Holders may not be able to pursue a claim for any or all of their damages against the Seller, the Depositor or the Trust.

Acquisition of the Beneficial Interests

Purchase of Interests by the Holders; Redemption of Class B Beneficial Interests. Proceeds from the Offering will be used to redeem, on a one-for-one basis, the Class B beneficial interests held by the Depositor. If the Maximum Offering Amount is raised, the Trust will redeem all of the Class B beneficial interests held by the Depositor for \$33,000,000. If the Maximum Offering Amount is not raised, any Class B beneficial interests that remain outstanding will be converted to Interests and transferred to a newly formed entity controlled by the Depositor or an Affiliate.

Closing Arrangements. Each prospective Holder will be required to return to the Trust a Purchaser Questionnaire (attached as Exhibit A), Purchase Agreement (attached as Exhibit B) and signature to the Trust Agreement (attached as Exhibit C). Prospective Holders may be accepted or rejected by the Trust at any time within 30 days of receipt of the foregoing documents. Funds for the purchase of Interests will be deposited with the Trust upon acceptance of the prospective Holder by the Trust.

No purchase requests for Interests will be closed unless and until the effective date of the Conversion Notice. Prospective Holders who are subject to the Lender’s approval, if any, may be accepted or rejected by the Lender at any time before the close of the purchase. There can be no assurances that the Lender will approve any such prospective Holder in a timely manner or at all. Prospective Holders cannot acquire Interests if the Trust (or, if applicable, the Lender) does not approve such purchase. If approved by the Trust (and, if applicable, the Lender), the Holder must deliver the full amount of the purchase price at the close of the purchase of the Interests and satisfy certain other closing conditions set forth in the Purchase Agreement.

All funds for the purchase of an Interest will either (i) be received in trust by such prospective Holder’s registered representative, who is required to promptly send such funds to the Trust or (ii) will be directly sent to the Trust, for the closing of the purchase of Interests by the Holders. Within a reasonable time after closing the purchase of the Interests by a Holder, a confirmation statement reflecting the Interests purchased will be delivered to each Holder. See “Plan of Distribution.”

FINANCING TERMS

The following is a summary of some of the material terms of the Loan. Potential Holders should review the Loan documents in their entirety.

Leverage

The Trust obtained a loan to acquire the Project in the original principal amount of \$32,435,000 from the Lender. The Project is leveraged with a loan-to-purchase price ratio of approximately 50.37% ($\$32,435,000 \div \$64,387,444$ (\$65,435,000 gross price minus the Trust Reserves (\$935,000) and the Lender held reserves in the amount of \$112,556)), based on the purchase price for the Interests paid by the Holders. The loan-to-purchase price ratio is approximately 49.57% if the reserves are included in the Holder purchase price ($\$32,435,000 \div \$65,435,000$). The loan-to-cost ratio is approximately 56.66% ($\$32,435,000 \div \$57,250,000$) based on the purchase price of the Project pursuant to the Acquisition Agreement.

Interest Rate

The Loan bears interest at a rate equal to 3.345% per annum.

Loan Term

The Loan has a 10-year term and will be interest only for the entire 10 years. The Loan may be repaid in full (but not in part) but is subject to a yield maintenance payment during the first 9.5 years of the Loan term. For the 3 months following such time, the Loan may be repaid upon payment of a 1% prepayment fee, and during the last 3 months of the Loan term, the Loan may be repaid without payment of a prepayment penalty or yield maintenance payment.

Cash Sweep

As required by the Loan documents, the Trust established a clearing account (the "Clearing Account") in the name of the Trust, with Pacific Premier Bank (the "Clearing Bank"), in which the Trust will deposit, or cause the Master Tenant to deposit, all rental and other income received from the Project. The Clearing Account will be under the sole dominion and control of the Lender. Until the Lender has notified the Clearing Bank of the existence of an event of default under the Loan documents, the Clearing Bank will transfer all funds in the Clearing Account on each business day to the Master Tenant. Following an event of default under the Loan documents, the Lender will establish and maintain a cash management account in the name of the Lender, which will be under the sole and exclusive dominion and control of the Lender, and the Lender will require a cash sweep of all funds in the Clearing Account to such cash management account. During the event of default period, the Lender will have the right to collect all rental and other income and is only required to pay operating expenses that are approved by the Lender, in its sole discretion.

Events of Default

The events of default under the Loan include, without limitation, (i) any failure by the Trust to pay or deposit when due any amount required by the Loan documents, (ii) any failure to maintain the insurance coverage required by any Loan document, (iii) any failure by the Trust to comply with the provisions of the Loan documents relating to its single asset status, (iv) if any warranty, representation, certification or statement of the Trust in the Loan documents is false, inaccurate or misleading in any material respect when made; (v) fraud, gross negligence, willful misconduct or material misrepresentation or omission by or on behalf of the Trust, the Master Tenant or the Key Principal or any of their officers, directors, trustees, partners, members or managers in connection with (a) the application for, or creation of, the Loan of the Master Lease, (b) any financial statement, rent roll or other report or information provided to the Lender during the term of the Loan, or (c) any request for the Lender's consent to any proposed action, including a request for disbursement of reserve/escrow funds, (vi) the occurrence of any transfer not permitted by the Loan documents, (vii) the occurrence of a bankruptcy event with respect to the Trust or the Master Tenant, (viii) the commencement of a forfeiture action or proceeding, whether civil or criminal, which, in the Lender's reasonable judgment, could result in a forfeiture of the Project or otherwise materially impair the lien created by the Loan documents or the Lender's interest in the Project, (ix) if the Trust, the Master Tenant or the Key Principal is a trust, or if control of the Trust, the Master Tenant or the Key Principal is transferred or if a restricted ownership interest in the Trust, the Master Tenant or the Key Principal would be transferred due to the termination or revocation of a trust,

the termination or revocation of such trust, except as set forth in the Loan documents, (x) any failure by the Trust to complete any repair of the Project related to fire, life, or safety issues in accordance with the terms of the Loan documents within the time periods set forth therein (or otherwise required by the Lender in writing), (xi) any exercise by the holder of any other debt instrument secured by a mortgage, deed of trust or deed to secure debt on the Project or any interest therein of a right to declare all amounts due under that debt instrument immediately due and payable, (xii) a termination, amendment or modification of any Master Lease Document (as defined in the Loan documents) not permitted by the Loan documents, (xiii) if any warranty, representation, certification, or statement of the Trust in the Master Lease, the Property Level Assignment of Leases and Rents, or any other Master Lease Document is false, inaccurate or misleading in any material respect when made; (xiv) a default by the Trust or the Master Tenant which continues beyond any applicable cure period under the Subordination Agreement (DST Master Lease), the Master Lease, the Property Level Assignment of Leases and Rents, or any other Master Lease Document, (xv) failure by the Trust to enforce all remedies under the Master Lease Documents against the Master Tenant, (xvi) the removal of the Trust Manager as the manager under the Trust Agreement, (xvii) failure of the Key Principal to control the Trust, the Trust Manager and the Master Tenant, (xviii) if the Key Principal is a natural person, the death of such individual, unless all requirements in the Loan documents are met, (xix) the occurrence of a guarantor bankruptcy event, unless all requirements in the Loan documents are met, (xx) any failure by the Trust or the Key Principal to comply with the provisions of the Loan documents relating to sale of the Loan, or (xxi) any failure by the Trust to perform any obligation under the Loan document that is subject to a specified written notice and cure period, which failure continues beyond such specified written notice and cure period as set forth in the applicable Loan document. Certain of the events of default described above are subject to applicable notice and/or cure periods in the Loan documents. John R. Saunders (in his individual capacity and as trustee of a grantor trust) is considered to be the Key Principal for purposes of the Loan documents.

Restrictions on Transfer

The Lender imposed certain conditions on the transfer of Interests, particularly if a prospective Holder will acquire 25% of the Interests in the Trust. The Lender must approve of any transfer of Interests in which a Holder will acquire 25% or more of the Trust and the Lender will require that certain searches related to OFAC compliance be completed with respect to any single person's acquisition of 25% or more of the Trust.

Reserves and Escrows

The Lender required a repairs escrow deposit to be funded at the Loan closing in the amount of \$8,125 and requires ongoing monthly replacement reserve deposits throughout the term of the Loan in the amount of \$4,983.33 (\$59,800 annually). The Lender also required to be funded at the Loan closing an insurance escrow of \$34,566 and a tax escrow of \$69,865.

Nonrecourse Loan

The Loan is nonrecourse to the Trust.

BUSINESS PLAN

The ownership objectives of the Trust will be to (i) distribute to the Holders rent, after payment of debt service and expenses, at levels beginning at 4.18% and increasing to 5.95% during the first 10 years of ownership and (ii) prepare the Project to be sold in approximately 10 years.

It is anticipated that the Trust will own and lease the Project to the Master Tenant for approximately 10 years. The Trust may only sell the Project after it has held the Project for 2 years and if the Trust Manager determines that it is appropriate to do so; provided, however, the Trust may sell the Project before 2 years if the Trust Manager has made a determination, in its sole discretion, that an event has occurred which could significantly and adversely affect the Project, including, but not limited to, condemnation or casualty, which was not contemplated at the time the Trust acquired the Project. The Trust will expire on March 31, 2032. The Trust must dissolve upon a Transfer Distribution. A "Transfer Distribution" will occur (a) if the Trust Manager makes a determination, in writing, that dissolution is necessary and appropriate because one of the following occurs: (i) the Master Tenant has failed to timely pay rent due under the Master Lease after expiration of the applicable notice and cure periods in the Master Lease (and the Trust is prohibited from taking actions that would remedy the situation), (ii) the Project is in jeopardy of being lost due to a default under the Loan (and the Trust is prohibited from taking actions that would remedy the situation), (iii) the Master Tenant files for bankruptcy, seeks appointment of a receiver, makes an assignment for the benefit of its creditors or there occurs any similar event, (iv) all or any portion of the Project becomes subject to a casualty, condemnation or similar event or (v) the Trust Manager determines it is necessary to take a Prohibited Action (as defined below) in order to avoid the loss or potential loss of all or a portion of the Trust Estate or its value, or (b) upon the occurrence of a Master Lease Termination Event.

The following is a summary of the Master Tenant's intended business plan for the operation of the Project. The Trust may be responsible for paying for some of these items.

In General

The Property Manager plans to maximize rental increases and reduce operating expenses, and thereby add value to the Project, by maintaining the overall appearance of the Project through attentive maintenance and active management. The Property Manager intends to implement management training programs for its staff in order to enhance the level of service at the Project and raise the level of professionalism. In addition, employees will be evaluated, reviewed and rewarded based on their performance and dedication to high standards at the Project.

The Property Manager believes that (i) the Project will be able to maintain an occupancy rate of 94% or greater, (ii) it will be possible to control costs and increase rental revenue which will provide stable cash flow and potential for capital appreciation, and (iii) the Project is being acquired well below replacement cost. At the end of the hold period, which is expected to be 10 years, these factors should make it possible to sell the Project at a profit. There can be no assurance that this expectation will be reached.

Project Operation

It is anticipated that the Trust will own and lease the Project to the Master Tenant for approximately 10 years. See "Description of the Master Lease." The Master Tenant has entered into a management agreement with the Property Manager, an Affiliate, to manage the day-to-day operations of the Project.

Pursuant to the terms of the Trust Agreement, the Trust may not take any of the following actions (collectively, the "Prohibited Actions"): (i) sell, transfer or exchange the Project except as required or permitted under the Trust Agreement, (ii) invest or reinvest any cash held by the Trust (including reserves) in anything other than short-term obligations of, or guaranteed by, the United States or any agency or instrumentality thereof, and certificates of deposit or interest-bearing bank accounts with a bank or trust company having a minimum stated capital and surplus of \$100,000,000, (iii) reinvest any monies of the Trust except to make minor nonstructural modifications or repairs to the Project as permitted under the Trust Agreement, (iv) reinvest the proceeds from the sale of the Project, (v) renegotiate or refinance the Loan, except in the case of the Master Tenant's bankruptcy or insolvency, (vi) renegotiate, alter or extend the Master Lease, or enter into new leases, except in the case of the Master Tenant's bankruptcy or insolvency, (vii) make any modifications to the Project other than minor nonstructural modifications or as required by law, (viii) accept any capital contributions from any owner or other person (other than from the sale of the Interests which amounts are distributed to the Depositor) or (ix) take 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, if the effect of the action would be to create a power under the Trust Agreement to “vary the investment of the certificate holders” under Regulations Section 301.7701-4(c)(1) and the Revenue Ruling.

Sale of the Project and Termination of the Trust

The Trust will terminate and dissolve, and distribute all of its assets to the Holders, in accordance with the Trust Agreement on the first to occur of (i) March 31, 2032, (ii) a Transfer Distribution or (iii) the sale of the Project. In the event that the Trust Manager determines that the dissolution of the Trust is necessary and appropriate because of a Transfer Distribution, the Trust Manager will transfer title to the Project (or convert the Trust) to the Springing LLC, which will be owned by the Holders at the time of conversion and will be managed by the Trust Manager or its Affiliate. If the Trust transfers the Project (or converts the Trust) to the Springing LLC, the Holders will lose the ability to participate in a Code Section 1031 exchange upon the sale or other disposition of the Project.

In the event the Trust sells the Project, the Trust Manager will receive a fee in an amount equal to 3.75% of the gross sale proceeds of such sale and will be responsible for paying any commission due to any real estate brokers engaged to assist with such sale.

PLAN OF DISTRIBUTION

Rule 506(b)

The 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 Class A Beneficial Interests in the Trust, which will not be represented by certificates. If a prospective Holder elects to purchase Interests and the Trust accepts the purchase, it will become a Holder in the Trust upon payment in full of the purchase price. Although the Trust Manager may poll the Holders with respect to the sale of the Project, the Holders have no voting rights, including with respect to whether or not the Project is sold and the Trust Manager will have sole authority to make decisions for the Trust. The sole right of the Holders will be to receive distributions from the Trust if, as and when made as provided under the Trust Agreement and permitted under the Loan documents. See “Summary of the Trust Agreement.”

The Trust is offering 6,600 Interests at \$5,000 per Interest, which represents all of the beneficial interest in the Trust. Each purchaser must purchase a minimum of (a) for cash purchasers, 5 Interests in the Trust (representing an approximate 0.0757576% interest in the Project) for a purchase price of \$25,000 (the purchase of 5 Interests also includes an allocation of 0.0757576% of the Loan (\$24,571.97)) or (b) for Code Section 1031 exchange purchasers, 20 Interests in the Trust (representing an approximate 0.3030303% interest in the Project) for a purchase price of \$100,000 (the purchase of 20 Interests also includes an allocation of 0.3030303% of the Loan (\$98,287.88)), except that the Trust, in its sole discretion, may permit certain Holders to make a smaller investment. The Offering Proceeds will be used to redeem, on a one-for-one basis, all of the Class B beneficial interests held by the Depositor. There can be no more than 480 owners of beneficial interests in the Trust.

The Trust intends to continue the Offering until the Offering Termination Date.

Qualifications of Prospective Holders

The Interests are being offered only to Accredited Investors who can represent that they meet the Purchaser Suitability Requirements described under “Who May Invest” and may be purchased only by prospective Holders who satisfy such suitability requirements.

Sale of Interests

Prospective Holders must adhere to the closing arrangements summarized under “Acquisition Terms” in this Memorandum and set forth in full in the Purchase Agreement (attached hereto as Exhibit B). 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 the Offering at any time.

The Offering and Ownership of the Trust

In order to form the Trust, the Depositor deposited \$24,927,556 for the acquisition of the Project and the Trust Reserves into the Trust, in exchange for 6,600 Class B beneficial interests in the Trust representing all of the beneficial interests in the Trust. It is anticipated that the Trust will be a passive owner of the Project. If less than the Maximum Offering Amount is sold in the Offering, any Class B beneficial interests held by the Depositor on the Offering Termination Date will be converted to Interests and the ownership of such Interests will be held by an entity that is not, for federal income tax purposes, affiliated with the Master Tenant. However, it is anticipated that such entity would be controlled by an Affiliate of the Trust Manager. See “Estimated Use of Proceeds.”

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

Outstanding Beneficial Interests as of February 1, 2022

	Class A	Class B
Holders	0%	0%
Depositor	0%	100%
Total	0%	100%

**Outstanding Beneficial Interests on a Fully Diluted Basis after the Closing of the Offering
(Assuming the Maximum Offering Amount is Raised by the Trust)**

	Class A	Class B
Holders	100%	0%
Depositor	0%	0%
Total	100%	0%

Marketing of Interests

Offers and sales of Interests will be made on a “best efforts” basis by the Selling Group Members, who are members of FINRA. Emerson Equity LLC, a member of FINRA, will act as the Managing Broker-Dealer and will receive Selling Commissions in an amount up to 6.0% of the Total Sales, which will either be paid to affiliates of the Managing Broker-Dealer, some of which may be internal to Affiliates of the Trust Manager, or reallocated 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 Holders may acquire Interests net of Selling Commissions. The Managing Broker-Dealer will also receive a nonaccountable marketing and due diligence allowance in an amount equal to 1.0% of the Total Sales, which the Managing Broker-Dealer will reallocate to the Selling Group Members (which may include the Managing Broker-Dealer and its affiliates). The Managing Broker-Dealer will also receive a placement fee in an amount equal to 1.0% of the Total Sales, some of which may be reallocated to affiliates of the Managing Broker-Dealer, and may sell Interests as a Selling Group Member, thereby becoming entitled to Selling Commissions and allowances. The Managing Broker-Dealer will also receive a wholesaler fee in an amount up to 1.0% of the Total Sales which it will reallocate, in whole or in part, to certain wholesalers some of which are internal to Affiliates of the Trust Manager. The Managing Broker-Dealer may also enter into agreements for the sale of the Interests to certain investors with non-FINRA registered investment advisers. The Managing Broker-Dealer will not be entitled to earn the 6.0% Selling Commission on Interests purchased by investors through registered investment advisers. The total aggregate amount of Selling Commissions and Expenses will not exceed 9.0% of the Total Sales. The Depositor will be responsible for paying all of the Selling Commissions and Expenses. For purposes of calculating Total Sales, each Interest will be deemed to have a sales price of \$5,000 and any discount provided to a Holder will be disregarded.

The Trust, in its discretion, may accept purchases of Interests at a lower price from Holders purchasing through a registered investment advisor or from Holders who are Affiliates of the Depositor or a Selling Group Member in the event of a single sale of Interests in excess of \$500,000 or otherwise in its sole discretion.

The Managing Broker-Dealer and the Selling Group Members may be deemed “underwriters” as that term is defined in the Securities Act. The Managing Broker-Dealer Agreement between the Trust and the Managing Broker-Dealer and the soliciting dealer agreements (the “Selling Agreements”) between the Managing Broker-Dealer and the Selling Group Members for the sale of the Interests contain some provisions for indemnity by the Depositor with respect to liabilities, including certain civil liabilities under the Securities Act, which may arise from the use of this Memorandum in connection with the Offering. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or controlling persons of the Trust pursuant to the foregoing provisions, or otherwise, the Trust has been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. Further limitations on indemnification are provided in the Managing Broker-Dealer Agreement and the Selling Agreements for the Offering, copies of which may be obtained by written request to the Trust.

Selling Group Members will be required to execute a Selling Agreement with the Managing Broker-Dealer after the effective date of this Memorandum. The Selling Agreement contains cross-indemnity provisions with respect to certain liabilities, including liabilities under the Securities Act.

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 CORE Pacific whose mailing address is 1600 Dove Street, Suite 450, Newport Beach, California 92660, and the telephone number is (949) 863-1031.

Sales Materials

Other than this Memorandum and factual summaries and sales brochures of the Offering prepared by the Trust, no other material will be used in the Offering.

The Trust, the Depositor, the Trust Manager and their Affiliates may also respond to specific questions from broker-dealers and prospective Holders. 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 material does not purport to be complete and should not be considered a part of this Memorandum, or as incorporated in this Memorandum by reference or as forming the basis of the Offering.

No broker-dealer, salesperson 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, if given or made, such information or representations must not be relied upon.

Limitation of Offering

The offer and sale of the Interests are being 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 Purchaser 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.

THE DEPOSITOR, THE TRUST MANAGER AND THEIR AFFILIATES

CP Maywood Depositor, LLC is the Depositor. The Depositor was formed as a Delaware limited liability company as of November 19, 2021. CORE Pacific is the sole member of the Depositor.

CP Maywood Apartments Manager, LLC is the Trust Manager of the Trust. The Trust Manager was formed as a Delaware limited liability company as of December 3, 2021. CORE Pacific is the sole member of the Manager.

CP Maywood Apartments MT, LLC is the Master Tenant. The Master Tenant was formed as a Delaware limited liability company as of December 3, 2021. CORE Pacific is the sole member of the Master Tenant.

CORE Pacific Advisors, LLC

CORE Pacific was formed as a Delaware limited liability company as of June 15, 2016. The following are the principals and officers of CORE Pacific:

<u>Name</u>	<u>Title</u>
Justin Morehead	Chief Executive Officer, President and Manager
John Saunders	Manager
Mark Osgood	Manager
Henry Fitzpatrick	Chief Financial Officer and Treasurer
Donna Grant	Executive Vice President of Operations and Corporate Secretary
Kent Morehead	Chief Operating Officer
Michael Crimmins	Executive Vice President and Director of Capital Markets
Marc Raskulinecz	Executive Vice President of Asset Management
Nels Billsten	Senior Vice President of Acquisitions and Dispositions
Tania Jernigan	Senior Vice President of Investor Relations
Tracie Nguyen	Senior Vice President of Operations
Tony Cvar	Controller

Justin Morehead serves as Chief Executive Officer, President and as a Manager of CORE Pacific, and President of CORE Realty Holdings Management, Inc. (“CRHMI”). Mr. Morehead joined CRHMI in 2013 and has been part of leading the disposition of CORE Pacific’s assets since its inception and responsible for overseeing the asset management for CRHMI’s 6 million square feet commercial portfolio since 2013. Prior to joining CRHMI, he was with Optima Asset Management Services, Inc., a property management, leasing and facilities maintenance company in Newport Beach, CA. Mr. Morehead graduated from Arizona State University with a B.A. degree from the W.P. Carey School of Business.

John Saunders serves as a Manager of CORE Pacific, and Chairman of CRHMI. During the past 20 years, Mr. Saunders has become one of Orange County’s largest and most successful commercial real estate owners through the application of proactive management. He is currently the owner of over 4 million square feet of commercial real estate, primarily in Orange County, California. Mr. Saunders’ real estate success is based on his experiences building one of the country’s largest coin dealing firms, London Coin Galleries. He is one of the largest North American ancient coin dealers, as well as being a major dealer in domestic coins. Mr. Saunders began buying and selling coins at the age of 13. During the 1970’s, he was the Assistant Treasurer at American Express Bank, one of the youngest officers appointed to the firm. He graduated from Eckerd College in St. Petersburg, Florida with a B.S. in Mathematics and an MBA from the University of Pennsylvania Wharton School of Business. Mr. Saunders is involved in a number of charitable causes, including: Boy Scouts, Volunteer Center, UC Santa Cruz, Pitzer College, Eckerd College, Kidworks, Walking in His Shoes, Queen of Hearts Foundation, Space Studies Institute, Cato Institute, Red Cross and Goodwill.

Mark Osgood serves as a Manager of CORE Pacific. Mark Osgood has over 30 years of experience in real estate finance and ownership. Mr. Osgood spent 20 years in real estate finance and capital markets where he was

Managing Director and Head of CMBS West Coast origination at Wachovia securities until 2006. Mr. Osgood opened the Wachovia west coast offices in 1998 and ultimately grew to \$8B annually by 2006. Mr. Osgood later served as Managing Director of the Global Real Estate Group at Lehman Brothers where he focused on highly structured real estate transactions for both fixed and floating rate products. In 2009 Mr. Osgood founded MDO Capital which is a real estate ownership, advisory and brokerage company. MDO Capital and its affiliates have amassed approximately 3,000 apartments, 750 mobile home park spaces and over 1,000 residential lots in addition to several office and industrial buildings. MDO Capital currently owns 2,900 build to rent units completed or in various stages of development in CA, TX, WA, CO and TN. Mr. Osgood has focused almost exclusively on apartments and single-family rentals since 2017, given the strong fundamentals and upward pressure on rents in certain submarkets. Mr. Osgood has extraordinary relationships with Fannie Mae, Freddie Mac and HUD through his extensive dealings at Wachovia, Lehman and his personal portfolio. Mr. Osgood has been involved in over \$5B in agency transactions over the past 20 years through CMBS (AAA tranches), MDO Capital brokerage and direct ownership, Mr. Osgood also has numerous lending relationships with CEOs and CCOs of major lenders which provide attractive terms and certainty of close. In total, Mr. Osgood has been involved in over \$45B in real estate transactions over his career. Mr. Osgood holds a Bachelor of Science in Finance degree from Arizona State University.

Henry Fitzpatrick serves as Chief Financial Officer and Treasurer of CORE Pacific, and Chief Financial Officer of CRHMI. Mr. Fitzpatrick joined CRHMI in 2007. Mr. Fitzpatrick is a licensed Certified Public Accountant (inactive) in the State of California and has over 35 years of experience in the Accounting and Finance arena, including several years with the accounting firm, KPMG. Prior to joining CORE, Mr. Fitzpatrick served as Account Finance Officer at the Newport Beach office of CB Richard Ellis (CBRE), handling the Accounting and Reporting responsibilities for one of the largest Facility Management contracts to which the company had ever been party, Washington Mutual Bank. This engagement involved managing the day-to-day real estate needs for over 2,500 branch locations nationwide. Also while at CBRE, he assumed various management roles both on the Facility Management and Property Management sides of the organization. His previous employers include Trammell Crow Company and PM Realty Group, both widely known real estate development and management firms. Mr. Fitzpatrick earned his Bachelor of Arts Degree in Business/Economics at the University of California at Los Angeles.

Donna Grant serves as Executive Vice President of Operations and Corporate Secretary of CORE Pacific. Ms. Grant joined CRHMI in 2005. Ms. Grant has over thirty-five years of commercial real estate finance and loan administration, credit underwriting, operations and closing experience in commercial real estate, construction, residential subdivision, mezzanine, REIT, 1031 exchanges and syndications in California and thirty-nine states nationwide. As a Senior Vice President for Nations Bank/Bank of America. Ms. Grant managed and led over ten real estate division banking acquisitions nationwide, and those responsible. As well as, the risk rating of real estate portfolio assets with the acquired bank which involved interaction and reporting through the bank's board of directors. In addition, she was responsible for set up, training, and management of regional loan administration groups, relationship managers and credit officers for the Real Estate Lending Division of the Bank throughout the 1990's, culminating in the 1999 merger with Bank of America. From 2000 to 2002, she was the Senior Loan Administration Manager for IndyMac Bank responsible for nationwide loan administration. Prior to joining CRHMI., Ms. Grant worked as Vice President and Director of Client Services for Loan Administration Network, Inc., providing staffing, training and consulting for banks, mortgage companies and title/escrow companies. She joined CRHMI and its affiliates, as one of the first employees and has managed the closing process and negotiated loan documents for the closing of every transaction by the company to date.

Kent Morehead serves as Chief Operating Officer of CORE Pacific and CRHMI. Mr. Morehead joined CRHMI in 2010 and has played an integral role in formalizing operations procedures, developing the CRHMI Senior Executive Team and prioritizing deliverables for the entire company. In 2015 he was promoted to Chief Operating Officer with keen oversight in asset management, closing, acquisitions, accounting and investor relations groups for communications both internal and external. In addition, all insurance matters and legal matters fall under his responsibility. In 2016, Mr. Morehead was named Treasurer and Corporate Secretary for CPA. In 2021, Kent was named Chief Operating Officer of CPA and he has developed the same processes and communications between CRHMI and CPA and other CORE affiliates. From the early 1970s, Mr. Morehead was associated with many major hotel, resort and gaming brands including Del Webb, Americana and Wynn in Arizona, Nevada, Hawaii, Texas and New Jersey as well as independent operations in Nevada and California. In 1992, Mr. Morehead became a partner with James T. Kelley & Associates, Inc., a hospitality consulting firm in Newport Beach, California, involved with feasibility, due diligence, concept, programming, planning, design, entitlement, financial analysis, restructuring, repositioning, remarketing, development, construction, renovation, project/asset management and the sale or transfer

of over 200 properties, including existing/planned hotels, resorts, residential or golf communities. He has been designated for 35 years as a Certified Hotel Administrator through the American Hotel & Lodging Association, and, is a graduate of Arizona State University.

Michael Crimmins serves as Executive Vice President and Director of Capital Markets of CORE Pacific. Mr. Crimmins is also the Founder and Chief Executive Officer of CM Pacific Capital, a multi-sponsor product distribution platform for Delaware Statutory Trusts (“DSTs”) and real estate private placements. From October 2009 to May 2015, Mr. Crimmins was with KBS Capital Markets Group, LLC (“KBS Capital”), the broker dealer for KBS, a large non-traded REIT sponsor. He initially served as KBS Capital’s National Sales Manager and then as its Chief Executive Officer. During his tenure at KBS, he oversaw a sales and marketing organization that raised approximately \$7 billion for several offerings. Prior to KBS, Mr. Crimmins was the Western Division Sales Manager at AXA Distributors, LLC, in St. Louis, where he consistently ranked among the top five marketing professionals in annuity sales. Prior to AXA Distributors, he served as an Executive Sales Consultant for The Guardian Life Insurance Company in St. Louis. He served as a board member of the Investment Program Association (“the IPA”) from 2011 to 2015. The IPA is a leading industry association advocating Direct Investments. Mr. Crimmins earned a BS in Business Administration and Finance from the University of Missouri. He holds the Series 7, Series 24 and Series 63 securities licenses.

Marc Raskulinecz serves as Executive Vice President of Asset Management. Mr. Raskulinecz brings over 27 years of hands-on real estate property management and asset management, working with several leading Southern California real estate management companies. He has managed teams of 100+ associates and portfolios of 8,200 multifamily units as well as commercial assets of 4.5 million square feet. In addition, he has had the opportunity to work in the development and lease-up of 1,200+ multi-family units in the Southern California Market. Mr. Raskulinecz’ extensive background includes 9 Years with Irvine Apartment Communities as well as time with Trinity Partners, Wester National Property Management and Mesa Management. He has been responsible for the CORE’s Property and Asset Management for the past 14 years. Additionally, Mr. Raskulinecz was an integral part of setting up regional and national property management for CORE since its inception.

Nels Billsten serves as Senior Vice President of Acquisitions and Dispositions of CORE Pacific and CRHMI. Mr. Billsten joined CRHMI in 2006. Mr. Billsten has over 24 years of commercial real estate experience. From 2008 through 2015, Mr. Billsten was responsible for the leasing of CRHMI’s commercial property portfolio consisting of office, industrial and retail properties. Over the past 15 years, the CRHMI team successfully negotiated over 500 leases totaling over 5.5 million square feet with an aggregative gross lease value of over \$320 million. He is also responsible for the disposition coordination of CORE assets totaling over \$300 million over the past 6 years. His background includes the acquisition, disposition, due diligence and asset management of office, industrial, retail and multi-family assets at PM Realty Advisors, a pension fund advisor, and in brokerage at CBRE. Mr. Billsten began his career in the Real Estate Services Group at Arthur Andersen & Co. Mr. Billsten holds a MBA from the University of Southern California, and a BA from Wheaton College (IL).

Tania Jernigan serves as Senior Vice President of Investor Relations of CORE Pacific and CRHMI. Ms. Jernigan joined CRHMI in 2008. Ms. Jernigan has over 30 years or experience in financial and investor relationship communications for both private and publicly traded companies. Prior to joining the Property Manager, she served as Vice President of Investor Relations for Impac Mortgage Holdings, Inc. (NYSE: “IMH”), where she oversaw the investor relations program since its initial public offering in 1995. She has also provided investor relations consulting and contract services to small and mid-size firms focusing on the development of investor relations strategy. Ms. Jernigan also has significant experience in the marketing and management of private placement fundraising. Ms. Jernigan received her Bachelor of Arts degree in Business Administration from California State University, Fullerton.

Tracie Nguyen serves as Senior Vice President of Operations of CORE Pacific and CRHMI. Ms. Nguyen joined CRHMI in 2006. Ms. Nguyen has extensive experience in commercial real estate acquisitions, finance, due diligence, and closings. Over the past 15 years, she has closed 2.3 billion dollars in the following commercial real estate asset classes: office, retail, industrial, flex, multifamily, and golf course. In addition, her comprehensive background and experience has led to management roles such as overseeing portfolio management in multifamily and commercial real estate. Ms. Nguyen has worked in all aspects including underwriting, due diligence, asset management, and operations. Ms. Nguyen received her Bachelor of Science degree at University of Southern California Marshall School of Business and further earned a MBA from the Graziadio School of Business at Pepperdine University.

Tony Cvar serves as Controller of CORE Pacific and CRHMI. Mr. Cvar started his career at CORE in 2016. He has had an extensive financial career focused in facilities and property management. Mr. Cvar was employed for seven years with EMCOR Group, Inc. responsible for the daily financial operations of three operating companies and eight years as controller at CB Richard Ellis working on the Washington Mutual, Avaya, Inc., Dow Chemical Company, and Nielsen Company accounts. He spent eight years in the brokerage industry working in operations, tax reporting and compliance rolls. Mr. Cvar has a BS in Business Administration from University of California, Riverside and a Master of Accountancy from University of Missouri, St. Louis.

The Property Manager

CORE Realty Holdings Management, Inc., an Affiliate of the Master Tenant, the Depositor, the Trust Manager and CORE Pacific, is the Property Manager of the Project. The Property Manager was formed as a California corporation as of July 18, 2005.

The following are the principals, officers and key employees of the Property Manager:

<u>Name</u>	<u>Title</u>
John Saunders	Chairman of the Board of Directors
Justin Morehead	President and Director
Kent Morehead	Chief Operating Officer
Henry Fitzpatrick	Chief Financial Officer
Donna Grant	Executive Vice President of Operations and Corporate Secretary
Marc Raskulinecz	Executive Vice President of Asset Management
Nels Billsten	Senior Vice President Acquisitions and Dispositions
Tania Jernigan	Senior Vice President of Investor Relations
Tracie Nguyen	Senior Vice President of Operations
Tony Cvar	Controller

PRIOR PERFORMANCE OF THE TRUST MANAGER

Although the principals of the Trust Manager, the Depositor and the Master Tenant have experience as described above, the Trust Manager, the Depositor and the Master Tenant are newly formed and have no experience owning and operating real estate nor managing Delaware statutory trusts, therefore, there is no prior performance.

PRIOR PERFORMANCE SUMMARY

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

In considering the historical information contained herein, prospective Holders should bear in mind that past performance is not indicative of future results, and there can be no assurance that comparable results will be achieved in the future.

The following terms as used herein have the meanings set forth in this paragraph:

- “Annualized Return” (except where footnoted) is calculated by dividing the sum of amounts distributed to the investors over the hold period of the investment plus the sale proceeds returned to investors by such investors’ capital invested in the program by the hold period.
- “Offering Purchase Price” represents the price paid by the program for the property or properties, plus all costs and expenses related to the acquisition and financing and all costs and expenses related to the offering plus any initial contribution to the reserve account, if applicable.

Experience and Background of CORE Pacific Advisors, LLC

CORE Pacific was formed as a Delaware limited liability company in 2016. The principal business of CORE Pacific is the acquisition and management of real estate investment properties. CORE Pacific has sponsored 5 prior Delaware statutory trust real estate programs. The table below provides certain summary information about the Delaware statutory trust programs as of December 31, 2021.

Name/ Location	Property Type	Acquisition Price	Offering Price	Investor Equity Raise	# of Investors	12 Month Trailing NOI (Dec-21)	Total Distributions Paid	Distribution Rate (Dec-21)
Crosslakes Grand Rapids, MI	Industrial Flex	\$32,894,875	\$39,100,000	\$19,150,000	35	\$3,748,101	\$4,045,890	6.10%
Franklin Indianapolis, IN	Industrial Flex	\$28,667,250	\$35,150,000	\$15,900,000	29	\$2,356,211	\$2,730,073	5.60%
Barrington Montgomery, AL	Multifamily	\$46,881,675	\$52,050,000	\$21,500,000	48	\$3,188,837	\$2,358,826	6.00%
Cue Luxury Cypress, TX *	Multifamily	\$42,168,000	\$49,290,000	\$21,000,000	73	\$2,188,941	\$2,256,048	4.50%
Collective Charlotte, NC*(1)	Multifamily	\$72,050,000	\$81,600,000	\$38,400,000	90	\$956,756	\$1,025,062	4.30%
Total Portfolio		\$222,661,800	\$257,190,000	\$115,950,000				

*Partial Year in 2021

(1) The Collective was acquired on September 15, 2021. This Delaware statutory trust program is in the final stages of its offering and thus, certain information is not available.

Management Overview of CORE Realty Holdings Management, Inc.

CRHMI was formed as a California corporation in 2005 to provide asset and property management services for CRH, the sponsor of various tenant in common (“TIC”) investment structures in the 1031 real estate exchange industry. The portfolio that CRHMI managed, at the height of the 1031 market, was diversified in both type and location; however, there was greater emphasis on multifamily and industrial properties. CRHMI also provides asset and property management services to the real estate programs sponsored by CORE Pacific. As of December 31, 2021, CRHMI managed 15 properties in 10 states throughout the United States.

Height of Market and Down Cycle “The Great Recession” (2005 to 2015). CRHMI’s managed properties were overseen by a team of experienced real estate professionals. In order to optimize operational expenses and cash flow, any third-party property management from 2005 to 2007 was brought in-house, including property management employees of on-site personnel. In early 2009, upon the ownership movement of Doug Morehead into an active and daily ownership oversight role, a thorough and comprehensive analysis of each property was undertaken. CRHMI was one of the first TIC property and asset management teams in the industry to evaluate the impact of an historic down cycle of the real estate market nationwide and to develop plans to revise property distributions, determine work-out strategies of problem assets and work closely with servicers and master servicers to identify the best possible outcome for each of these properties. Most of the portfolio of properties were not scheduled to mature until 2015, 2016, and 2017. These maturity dates allowed sufficient runway to work effectively in re-positioning the properties for the eventual improvement of the cycle, once the overall economy and real estate marketplace was able to recover. The recovery took much longer than initially anticipated or had seen in previous recessions; however, the length of time remaining on the loan maturities allowed some degree of normalization. As described herein, CRHMI took steps to alleviate the overall burden of fees and other negotiated property management items, while ensuring that the TIC revenue procedures were not broken. In other words, CRHMI reduced, waived (or deferred in most cases), asset management fees. In addition, disposition fees were reduced for future sale to help TICs recover from the unprecedented recession. During this time period and throughout the 10-year hold, no TIC property was voted out by the hundreds of TIC investors to require a change in the management of the asset.

Refinance/Sale of TIC Properties “The Ten Year Hold” (2015 to 2017). In 2016 and 2017, 19 transactions totaling over \$557,140,000 matured. These 19 transactions involved over 452 TIC owners, and 92 multi-members under the LLC (non 1031 deferral). As described below, various properties were refinanced as TIC properties, refinanced under a CRHMI (or Affiliate) transaction with TIC entities moving to an LLC structure or were sold. In each of these transactions, CRHMI worked with TIC steering committee members including voting by ballot by each TIC owner to direct the appropriate unanimous consent for sale or refinance required by 100% of the respective TIC ownership.

Experience and Background of CORE Realty Holdings, LLC

CRH was formed as a California limited liability company in 2005. The principal business of CRH was the acquisition and management of investment properties. Between 2005 and 2008, CRH syndicated 27 real estate investment programs to retail investors, 26 of which were syndicated through TIC investment structures and 1 of which was a limited liability company. Collectively, CRH raised approximately \$318,598,000 from 902 investors and purchased approximately \$866,711,500 in real estate.

The prior real estate programs of CRH purchased 27 properties for an aggregate purchase price of approximately \$934,000,000. Of the 27 properties, 15 were multifamily residential properties, 2 were existing shopping centers, 1 was a medical office/retail center, 4 were industrial properties, 4 were office properties and 1 was a golf course. In the aggregate, 100% of the properties were previously owned. Of the programs described above, 15 of the properties have been sold and 4 properties have been foreclosed on by the respective lender.

In addition to the real estate programs described above, CRH also offered Series 2006-A 9% Debentures and Series 2007-A 8% Secured Debentures, and in connection with the purchase of a golf facility commonly known as the Revere Golf Club located in Henderson, Nevada, offered Series 2008-A 9% Secured Debentures.

The United States economy experienced a significant amount of volatility beginning in 2008 and most of the CRH Programs, all of which were purchased during 2005 through 2008, have experienced adverse business developments, including, but not limited to, tenant bankruptcies, vacancies, and rent reductions. As a result of these and other developments, some of the CRH Programs have not met the operational and distribution levels anticipated

in the projections produced by CRH set forth in the respective private placement memoranda. The material adverse business developments experienced by the prior CRH Programs are discussed below.

Discussion of Programs Operating Under Property and Asset Management Agreements

The following is certain summary information as of December 31, 2021 for the prior real estate programs sponsored by CRH or its Affiliates that are currently operating.

Name/Location	Property Type	Date Refinanced	Acquisition Price	Offering Purchase Price	Investor Equity Raise	New Loan Balance at Refinance	12-Month Trailing NOI Dec-21	Total Distributions Paid Since Refi (Dec-21)	Monthly Distribution Rate (Dec-21)
Cardinal Greensboro, NC	Multifamily	Jun-16	\$14,789,500	\$16,685,000	\$6,335,000	\$11,900,000	\$1,518,145	\$2,091,827	5.25%
Vistas at Seven Bar Ranch Albuquerque, NM	Multifamily	Feb-16	\$43,900,000	\$47,350,000	\$16,650,000	\$33,000,000	\$4,314,970	\$5,162,405	4.00%
Hunters Chase Greensboro, NC	Multifamily	Dec-20	\$13,626,163	\$15,236,000	\$6,336,000	\$14,320,000	\$1,141,244	\$387,320	12.00%
Trails Memphis, TN	Multifamily	—	\$25,600,000	—	\$4,820,000	—	\$2,242,472	—	—
Total Multi-Family			\$97,915,663	\$79,271,000	\$34,141,000				
West Michigan Industrial Grand Rapids, MI	Industrial Flex	Jun-15	\$56,100,000	\$61,327,000	\$23,600,000	\$44,000,000	\$5,527,229	\$14,127,226	10.00%
W. Michigan Airport Industrial Grand Rapids, MI	Industrial	Jun-15	\$39,627,400	\$44,900,000	\$17,000,000	\$26,390,567	\$2,963,390	—	0.00%
Roger B. Chafee Grand Rapids MI	Industrial	Jul-21	\$3,160,000	\$3,300,000	\$1,650,000	\$2,300,000	\$164,101	\$48,125	7.00%
Total Industrial			\$98,887,400	\$109,527,000	\$42,250,000				
Madison Office Park Torrance, CA	Retail-Office	Jul-15	\$25,200,000	\$27,788,000	\$9,100,000	\$17,900,000	\$1,382,940	\$2,295,000	1.31%
Sycamore Town Center Iowa City, IA	Retail	Mar-16	\$21,539,260	\$25,395,000	\$13,000,000	\$12,397,863	\$870,527	—	0.00%
Total Retail			\$46,739,260	\$53,183,000	\$22,100,000				
Total Portfolio			\$243,542,323	\$241,981,000	\$98,491,000				

Discussion of Completed Prior Programs that were Sold

The following is certain summary information for the 15 real estate programs sponsored by CRH or its Affiliates that as of December 31, 2021 were sold at or near the end of their 10-year hold period. CRHMI continues to provide property and asset management services for 3 of these programs.

Name/Location	Property Type	Date Purchased	Date Sold	Offering Purchase Price	Investor Equity Raise	Annualized Return	Distribution Rate at Sale
Madison at Adams Farm Greensboro, NC	Multifamily	May-06	Jun-16	\$32,325,000	\$12,075,000	12.54%	4.00%
Park West End Richmond, VA	Multifamily	Jun-06	Jul-16	\$28,070,000	\$9,890,000	11.91%	3.00%
Bridford Lake Greensboro, NC	Multifamily	Jun-06	Jul-16	\$30,715,000	\$10,130,000	19.97%	4.00%
Champions Club Glen Allen, VA	Multifamily	Jun-06	Jul-16	\$21,120,000	\$7,370,000	13.57%	3.00%
San Antonio Industrial San Antonio, TX	Industrial /Office	Oct-07	Oct-17	\$45,700,000	\$15,100,000	- 0.40%	1.50%
Westridge Executive Plaza Valencia, CA	Office	Nov-05	Dec-15	\$23,160,000	\$8,500,000	- 2.16%	0.00%
Deerwood Meadows Greensboro, NC	Multifamily	Jun-06	Jun-16	\$17,350,000	\$6,600,000	- 1.09%	0.00%
Hickory Creek Richmond, VA	Multifamily	May-06	Jun-16	\$29,600,000	\$11,100,000	2.03%	3.00%
Sonoma Ridge Santa Rosa, CA	Multifamily	Oct-06	Oct-16	\$35,500,000	\$16,000,000	16.30%	4.00%
Minneapolis Industrial Minneapolis, MN	Industrial	Jun-08	Apr-17	\$41,857,000	\$14,812,000	- 9.10%	0.00%
Hidden Lakes Greensboro, NC	Multifamily	Apr-07	Apr-17	\$24,500,000	\$10,500,000	- 2.90%	0.00%
Sterling Place Columbus, OH	Multifamily	Nov-07	Sep-17	\$34,160,000	\$15,160,000	- 2.60%	0.00%
Kensington Forest Park, OH	Multifamily	Oct-08	Jul-16	\$23,560,000	\$11,670,000	6.72%	0.00%
Brookfield Lakes Corp Center Brookfield, WI	Office	Oct-06	Nov-19	\$92,563,000	\$32,000,000	-6.00%	0.00%
Riverbend Apartments Indianapolis, IN	Multifamily	Sep-06	May-20	\$80,500,000	\$30,500,000	12.45%	5.03%

DUTIES OF THE TRUST MANAGER, THE MASTER TENANT, THE DEPOSITOR AND HOLDERS

The Delaware statutes that govern statutory trusts do not impose any fiduciary duty upon the trustees, managers or owners of statutory trusts and permit the waiver of all fiduciary duties other than the implied duty of good faith and fair dealing. None of the Trust Manager, the Master Tenant, the Depositor or the other Holders will have a fiduciary duty to a Holder.

The Trust Agreement provides that the Trust Manager (its owners, Affiliates, directors, managers, employees, agents, assigns, principals, trustees and any officers) will not be liable to the Trust or the Holders for any act or omission performed or omitted by it in good faith, but will be liable only for fraud, gross negligence or willful misconduct. Holders of Interests may, accordingly, have a more limited right of action against the Trust Manager than they would have absent such an exculpatory provision in the Trust Agreement.

The Trust Agreement generally provides for indemnification of the Trust Manager (its owners, Affiliates, directors, managers, employees, agents, assigns, principals, trustees and any officers) by the Trust (to the extent of Trust assets) for any claims, liabilities and other losses that it may suffer in dealings with third parties on behalf of the Trust not arising out of fraud, gross negligence or willful misconduct. In the case of a liability arising from an alleged violation of securities laws, the Trust Manager may obtain indemnification only if (i) the Trust Manager is successful in defending the action, (ii) the indemnification is specifically approved by the court of law which will have been advised as to the current position of the SEC (as to any claim involving allegations that the Securities Act was violated) or the applicable state authority (as to any claim involving allegations that the applicable state's securities laws were violated) or (iii) in the opinion of counsel for the Trust, the right to indemnification has been settled by controlling precedent. It is the opinion of the SEC that indemnification for liabilities arising under the Securities Act is contrary to public policy and, therefore, unenforceable.

CONFLICTS OF INTEREST

The Trust Manager and its Affiliates may act, and are acting, as the manager of other trusts or limited liability companies, or as the general partner of other partnerships. The Trust Manager, the Master Tenant and their Affiliates may form and manage additional limited liability companies or other business entities. The Trust Manager, the Master Tenant and their Affiliates have existing responsibilities and, in the future, may have additional responsibilities to provide management and services to a number of other entities in addition to the Trust. As a result, conflicts of interest between the Trust and the other activities of the Trust Manager and the Master Tenant may occur from time to time. The principal areas in which conflicts may be anticipated to occur are described below.

The Trust Manager and the Master Tenant Are Affiliates

The Trust Manager is an Affiliate of the Master Tenant. Therefore, there will be a conflict of interest with the Trust Manager's management of the Master Lease and Master Tenant on behalf of the Trust. If the Master Tenant defaults under the Master Lease, the Trust Manager will have a conflict of interest regarding whether to pursue any remedies available to the Trust against the Master Tenant. The Holders do not have the authority to act on behalf of the Trust and only the Delaware Trustee has the power to replace the Trust Manager and may do so only in the case of the fraud, gross negligence or willful misconduct of the Trust Manager. The Trust Manager will have the right to renegotiate the terms of the Master Lease in the event that the Master Tenant is insolvent or in bankruptcy without approval of the Holders. The Trust Manager and the Master Tenant are related entities. Thus, the Trust Manager will have a conflict interest with respect to the terms of any renegotiated Master Lease. There is no mechanism to resolve any such conflict.

Potential Continued Ownership of Interests

In the event that less than all of the Interests are sold to purchasers, the Depositor's Class B beneficial interests in the Trust will convert to Interests. The continued ownership of Interests in the Trust by the Depositor or the fact that an Affiliate of the Trust Manager is in control of an entity that owns the Class A Beneficial Interests could create a conflict of interest with respect to the Trust Manager's management of the Trust and the management of the Depositor or any entity that owns the Interests. There is no method established for resolving any such conflict.

Obligations to Other Entities

Conflicts of interest will occur with respect to the obligations of the Trust Manager, the Master Tenant and their Affiliates to the Trust and similar obligations to other entities. Other investment projects in which the Trust Manager, the Master Tenant and their Affiliates participate may compete with the Trust and the Project for the time and resources of the Trust Manager, the Master Tenant and their Affiliates. The Trust Manager, the Master Tenant and their Affiliates will, therefore, have conflicts of interest in allocating management time, services and functions among the Project, the Trust and other existing companies and businesses, as well as any companies or businesses that may be organized in the future. The Trust Manager believes that the Trust Manager, the Master Tenant and their Affiliates have the capacity to discharge their responsibilities to the Trust notwithstanding participation in other investment programs and projects.

Interests in Other Activities

The Trust Manager, the Master Tenant or any of their Affiliates may engage for their own account, or for the account of others, in other business ventures, whether related to the business of the Trust or otherwise, and neither the Trust nor the Holders will be entitled to any interest therein solely by reason of any relationship resulting from entering into the Trust Agreement or the Trust entering into the Master Lease.

Acquisition of Other Properties in Market Area

It is possible that Affiliates of the Trust Manager could acquire other multifamily real estate properties that are located within the Project's market area. In such case, the other property and the Project will compete for tenants.

Receipt of Compensation by the Depositor, the Trust Manager and Their Affiliates

The payments to the Depositor, the Trust Manager and their Affiliates as set forth under "Compensation to the Depositor, the Trust Manager, the Master Tenant and Their Affiliates" have not been determined by arm's-length negotiations.

Legal Representation

Counsel to the Trust, the Depositor, the Trust Manager, the Master Tenant and their Affiliates in connection with the Offering is the same, and it is anticipated that such multiple representation will continue in the future. As a result, conflicts may arise in the future and if those conflicts cannot be resolved or the consent of the respective parties cannot be obtained to the continuation of the multiple representation after full disclosure of any such conflict, said counsel will withdraw from representing one or more of the conflicting interests with respect to the specific matter involved. Each Holder acknowledges and agrees that counsel representing the Trust, the Trust Manager and its Affiliates does not represent and will not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Holders in any respect. Each Holder consents to the Trust Manager hiring counsel for the Trust which is also counsel to the Trust Manager. In addition, 1 or more attorneys from DLA Piper LLP (US) may make an investment to acquire Interests pursuant to the Offering; provided, however, such investment in Interests should not be taken as a representation or opinion concerning the operation of the Trust's business, its future success or any other matter related to the investment by any Holder in the Trust.

Resolution of Conflicts of Interest

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

**COMPENSATION TO THE DEPOSITOR, THE TRUST MANAGER,
THE MASTER TENANT AND THEIR AFFILIATES**

The following is a brief description of the compensation that may be received by the Depositor, the Trust Manager, the Master Tenant and their Affiliates from the Trust or in connection with the use of the proceeds of the Offering to redeem the Class B beneficial interests held by the Depositor and in connection with Trust administration and operation of the Project. Much of this compensation will be paid regardless of the success or profitability of the Trust. The increase in the purchase price and the compensation arrangements have been established by the Trust and are not the result of arm's-length negotiations.

<u>Form of Compensation</u>	<u>Description</u>	<u>Estimated Amount of Compensation/ Increase in Purchase Price</u>
Organization and Offering Stage:		
Redemption of Class B Beneficial Interests held by the Depositor:	The Trust will redeem all of the Class B beneficial interests held by the Depositor for \$33,000,000 which is greater than the amount contributed by the Depositor for all of the Class B beneficial interests in the Trust (\$25,862,556). The Depositor is responsible for paying certain costs and expenses including: (i) Selling Commissions and Expenses of approximately \$2,970,000, (ii) organization and offering costs of approximately \$247,500, (iii) closing costs of approximately \$452,024, (iv) due diligence costs and expenses of approximately \$50,000, (v) carrying costs of approximately \$660,000, (vi) Lender and Loan expenses of approximately \$965,420 (a portion of which will be paid to a principal of CORE Pacific and (vii) a real estate finder's fee of \$572,500. The estimates of these costs and expenses are based on certain assumptions made by the Depositor. Depending on the length of the Offering, the number of Holders and negotiations with the Lender regarding the Loan, the actual amount of these costs and expenses may be greater or less than estimated. If actual costs and expenses are less than estimated, the additional amount will be retained by the Depositor. If actual costs and expenses are more than estimated, the Depositor will be required to pay for the excess amount. The Depositor estimates that the amount retained by it from the Offering Proceeds after paying the costs and expenses described above will be approximately \$1,220,000. Of this amount, the Depositor distributed \$250,000 to CORE Pacific, its sole member, to capitalize and establish reserves for the Master Tenant.	The total increase in the purchase price to the Holders (based on the Maximum Offering Amount) will be \$7,137,444. The Trust Manager anticipates that the total amount to be retained by the Depositor from the Offering Proceeds after payment of the costs and expenses described herein (\$5,917,444) and funding the Master Tenant (\$250,000) will be \$970,000.
Loan Fee:	A principal of CORE Pacific will receive a loan fee equal to \$342,000.	\$324,000

<u>Form of Compensation</u>	<u>Description</u>	<u>Estimated Amount of Compensation/ Increase in Purchase Price</u>
Operating Stage (Trust or LLC):		
Reimbursement of Expenses to the Trust Manager:	Reimbursement by the Trust of reasonable and necessary expenses paid or incurred by the Trust Manager in connection with the administration of the Trust.	Impracticable to determine at this time.
Cash Flow:	The Depositor will receive its share of distributions from the Trust while it owns the Class B beneficial interests.	Impracticable to determine at this time.
Administration Fee:	An annual Trust (or LLC) administration fee, payable to the Trust Manager in monthly installments.	The administration fee is \$40,000 in year 1, \$41,000 in year 2 and will increase by 3% annually thereafter.
Property Revenues in Excess of Rent:	The Master Tenant will be entitled to receive and retain revenues generated from the Project and any sublease of the Project during the term of the Master Lease that are in excess of the Base Rent payable under the Master Lease.	Impracticable to determine at this time.
Property Management Fee:	The Property Manager will receive an annual management fee in an amount equal to 3% of the gross revenues from the Project.	Impracticable to determine at this time.
Leasing Commissions:	A leasing commission to the Property Manager equal to 6% of the value of any commercial lease entered into between the Master Tenant and a commercial tenant of the Project and 3% of the value of any commercial lease for any renewal or renegotiation. Any leasing fees payable to third party brokers will be paid by the Property Manager up to leasing commission received, and the Master Tenant will pay any remaining amounts.	Impracticable to determine at this time.
Construction Management Fee:	A construction management fee to the Property Manager in an amount equal to 5% of hard Project construction costs.	Impracticable to determine at this time.
Financing Fee (LLC only):	In connection with a financing or refinancing of the Project, an amount to the Trust Manager equal to 1% of the principal amount of any loan, financing or refinancing, payable at the closing of the transaction.	Impracticable to determine at this time.

<u>Form of Compensation</u>	<u>Description</u>	<u>Estimated Amount of Compensation/ Increase in Purchase Price</u>
Disposition Stage:		
Fee on Sale of Project:	In connection with a sale, exchange or other disposition of the Project, the Trust Manager or an Affiliate will receive a fee in an amount equal to 3.75% of the gross proceeds of the sale, payable at the closing of the transaction. The Trust Manager will be responsible for paying any commission due to any real estate brokers engaged to assist with such sale.	Impracticable to determine at this time.

RESTRICTIONS ON TRANSFERABILITY

There are substantial restrictions on the transferability of the Interests imposed by state and federal securities laws. Before selling or transferring an Interest, a Holder must comply with applicable requirements of federal and state securities laws and regulations, including the financial suitability requirements of such laws or regulations. It is highly unlikely that any market for Interests will ever develop and prospective Holders should view an investment in Interests solely as a long-term investment.

The Interests offered by this Memorandum have not been registered under the Securities Act or the securities laws of any state. The Interests may not be transferred or resold unless they are registered, qualified or exempt under the Securities Act and applicable state securities laws. Appropriate legends setting forth the restrictions on the transfer of the Interests will be set out in the Trust Agreement. No public market exists for the Interests, and it is highly unlikely that any such market will develop. Prospective Holders should view an investment in an Interest as a long-term investment. Each Holder will be responsible for compliance with applicable securities laws with respect to any transfer or resale of its Interest. Further, there can be no more than 480 owners of beneficial interests in the Trust.

The Lender must approve of any transfer of Interests in which a Holder will acquire 25% or more of the Trust and the Lender will require that certain searches related to OFAC compliance be completed with respect to any single person's acquisition of 25% or more of the Trust.

SUMMARY OF THE PURCHASE AGREEMENT

Each prospective Holder will be required to execute a Purchase Agreement in the form attached hereto as Exhibit B. The entire Purchase Agreement should be reviewed before submitting an 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.

“As-Is” Purchase

The Purchase Agreement provides that the prospective Holders must accept their Interests, as they relate to the Project, in an “as-is” condition. The Seller provided only limited representations and warranties regarding matters affecting the condition, use and ownership of the Project and the Trust has not provided any such representations and warranties. Consequently, the prospective Holders must rely solely on their own inspections, investigations and analysis of the Project.

No Tax Advice

Holders will acquire their Interests without any representations from the Trust regarding tax implications of the transaction. Prospective Holders should consult with their attorney and other tax advisors regarding the tax implications of their acquisition of an Interest, including whether or not such acquisition will qualify as part of a tax-deferred exchange under Code Section 1031, if one is contemplated. See “Federal Income Tax Consequences.”

Termination of the Purchase Agreement

The Purchase Agreement may be terminated if the conditions to the closing are not satisfied as set forth in the Purchase Agreement.

SUMMARY OF THE TRUST AGREEMENT

General

Each Holder will be required to enter into the Trust Agreement with the other Holders, a copy of which is attached hereto as Exhibit C. The rights and obligations of the Holders will be governed by the Trust Agreement. The entire Trust Agreement should be reviewed before investing. The following is only a summary of some of the significant provisions of the Trust Agreement and is qualified in its entirety by reference thereto.

The Trust

The Trust was formed as a Delaware statutory trust under the laws of the State of Delaware on November 22, 2021 by the Depositor and the Delaware Trustee. The Original Trust Agreement was entered into on November 22, 2021 by the Delaware Trustee and the Depositor. The Trust Agreement was amended and restated pursuant to the Amended and Restated Trust Agreement dated December 30, 2021 by and among the Depositor, the Trust Manager and the Delaware Trustee. The principal place of business of the Trust is 1600 Dove Street, Suite 450, Newport Beach, California 92660, and the telephone number is (949) 863-1031.

The use of a Delaware statutory trust for an investment in real estate for purposes of a Code Section 1031 exchange is a recent development. The Trust differs from a corporation, limited partnership or limited liability company. Prospective Holders should carefully review with their counsel the protection against liability provided by a Delaware statutory trust.

The Trust Estate

The Trust Estate consists only of the Project and the Trust Reserves.

Ownership

The Trust is authorized to issue Class A Beneficial Interests (which are the Interests offered to prospective Holders) and Class B beneficial interests (which are the Interests delivered to and registered to the Depositor) aggregating all of the beneficial interests in the Trust. The Depositor deposited into the Trust (i) \$24,927,556 for the acquisition of the Project and (ii) the Trust Reserves, in exchange for all of the Class B beneficial interests in the Trust. Holders will acquire Class A Beneficial Interests in the Trust in exchange for the payment of cash to the Trust, which cash will be used by the Trust to redeem the Depositor's Class B beneficial interests on a proportional basis.

Redemption of Class B Beneficial Interests

The proceeds of the Offering will be used by the Trust to redeem all of the Depositor's Class B beneficial interests on a one-for-one basis whereby 1 Class B beneficial interest will be redeemed for approximately \$5,000 (unless a Class A Beneficial Interest is sold at a discount and the redemption price will be the reduced amount) paid to the Depositor for each Class A Beneficial Interest sold. If less than the Maximum Offering Amount is sold in the Offering, any Class B beneficial interests held by the Depositor on the Offering Termination Date will be converted to Interests and the ownership of such Interests will be held by an entity that is not, for federal income tax purposes, affiliated with the Master Tenant. However, it is anticipated that such entity would be controlled by an Affiliate of the Trust Manager. See "Estimated Use of Proceeds" and "Plan of Distribution."

Term

The Trust will terminate and dissolve, and distribute all of its assets to the Holders, in accordance with the Trust Agreement, on the first to occur of (i) March 31, 2032, (ii) a Transfer Distribution or (iii) the sale of the Project.

The Delaware Trustee

Delaware Trust Company is the Trust's Delaware Trustee under the Trust Agreement. The Delaware Trustee's principal office is located at 251 Little Falls Drive, Wilmington, Delaware 19808, Attn: Alan R. Halpern.

The Delaware Trustee is a trustee for the sole limited purpose of fulfilling the requirements of Section 3807 of the Delaware Statutory Trust Act and is authorized and empowered only to (i) accept legal process served on the

Trust in the State of Delaware as provided in Section 3804 of the Delaware Statutory Trust Act, (ii) execute and file any certificates that are required to be executed under the Delaware Statutory Trust Act and (iii) take such action or refrain from taking such action under the Trust Agreement as may be directed in writing by the Trust Manager.

The Delaware Trustee will be reimbursed for its expenses and held harmless from liability by the Trust, except with respect to the willful misconduct, bad faith, fraud or negligence of the Delaware Trustee or its officers, directors, employees or agents.

The Delaware Trustee may resign at any time by providing at least 60 days prior written notice to the Trust Manager and the Lender, and the Trust Manager may remove the Delaware Trustee for cause at any time by providing written notice to the Delaware Trustee. Cause will only result from the willful misconduct, bad faith, fraud or negligence of the Delaware Trustee.

The Delaware Trustee received an initial set-up fee of \$500 and will charge \$1,500 per year thereafter as an administrative fee.

The Trust Manager

CP Maywood Apartments Manager, LLC is the manager of the Trust. The Trust Manager, the Master Tenant and the Depositor are Affiliates. The agreements between the Trust, the Trust Manager, the Master Tenant and the Depositor are not the result of arm's-length negotiations, and they should not be considered as such. Certain conflicts of interest may arise between these entities and the Holders. See "Conflicts of Interest" and "The Trust Manager."

The Trust Manager has the exclusive authority to manage and control all aspects of the Trust's business, subject to certain limitations provided in the Trust Agreement. The Trust Manager is specifically authorized to take each of the following actions with respect to the Trust as necessary to conserve and protect the Trust Estate: (i) comply with the terms of the Master Lease and Loan documents, (ii) make, or cause to be made, any repairs necessary to maintain the Project, (iii) collect rent under the Master Lease and make distributions to the Holders in accordance with the Trust Agreement, (iv) enter into any agreement for purposes of enabling Holders to complete Code Section 1031 exchanges of real property, (v) notify the relevant parties of any default by them under the Trust Agreement, the Master Lease or any other transaction documents, and (vi) upon the Master Tenant's insolvency or bankruptcy, enter into a new lease or renegotiate or refinance any debt secured by the Project, (vii) any other action that, in the opinion of tax counsel to the Trust, would not have an adverse effect on either the treatment of the Trust as an "investment trust" or of each Holder as a "grantor." The Trust Manager may, in its sole discretion, employ such persons, including Affiliates of the Trust Manager, as it deems necessary for the efficient operation of the Trust.

The Trust Manager will be reimbursed by the Trust for its expenses (including reasonable legal fees) and held harmless from liability by the Trust except with respect to the fraud, gross negligence or willful misconduct of the Trust Manager or its officers, directors, employees, agents, managers and owners.

To the fullest extent permitted by law, the Trust will advance to the Trust Manager expenses incurred in its defense of any claims in connection with the Trust Agreement, the Trust or any transaction or document contemplated thereby, subject to repayment in the event a court finds that the Trust Manager was not entitled to indemnification.

The Trust Manager may resign at any time by providing at least 60 days' prior written notice to the Delaware Trustee, and the Delaware Trustee may remove the Trust Manager for cause at any time by providing written notice to the Trust Manager. Cause will only result from the fraud, gross negligence or willful misconduct of the Trust Manager. Notwithstanding the above, the Trust Manager may only be removed if the Trust Manager and its Affiliates are removed from liability arising from any guaranties related to the Loan.

The Trust Manager will receive an annual fee, payable monthly, of \$40,000 in year 1, \$41,000 in year 2, and for each year thereafter, the fee will increase by 3% annually. In the event the Trust sells the Project, the Trust Manager will receive a fee in an amount equal to 3.75% of the gross proceeds of such sale and will be responsible for paying any commission due to any real estate brokers engaged to assist with such sale. See "Compensation to the Depositor, the Trust Manager, the Master Tenant and Their Affiliates."

The Trust Manager will not owe any duties to the Trust other than those limited duties expressly set forth in the Trust Agreement. In performing its duties under the Trust Agreement, the Trust Manager will be liable for fraud,

gross negligence or willful misconduct. If a prospective Holder has questions about the lack of fiduciary duties of the Trust Manager, prospective Holders should consult their own legal counsel.

Rights of Holders

The sole right of the Holders under the Trust Agreement is to receive distributions from the Trust as a result of its ownership or sale of the Project. The Holders have no right or power to direct the actions of the Trust, the Delaware Trustee, the Master Tenant or the Trust Manager in any way. Although the Trust Manager may poll the Holders with respect to the sale of the Project, the Holders have no voting rights, including as to whether or not the Project is sold. In the event that any purchaser of the Project is affiliated with the Trust Manager, the Trust must obtain independent third-party appraisals of the Project and the purchase price must equal or exceed the appraised value. In addition, the Holders have no right or power to (i) contribute additional assets to the Trust, (ii) cause the Trust to negotiate or renegotiate any loans or leases or (iii) cause the Trust to sell all or any portion of its assets and reinvest the proceeds of such sale or sales.

Right to Transfer

Any transfer of the Interests under the Trust Agreement will be subject to (i) compliance with applicable federal and state securities laws and the Trust Agreement, (ii) the delivery to the Trust Manager of the assignee's or transferee's written acceptance and adoption of the Trust Agreement, (iii) the limit on the number of Holders in the Trust of not more than 480 persons and (iv) a limit on the percentage of Interests that can be owned by retirement and other plans subject to ERISA. The Lender must approve of any transfer of Interests in which a Holder will acquire 25% or more of the Trust and the Lender will require that certain searches related to OFAC compliance be completed with respect to any single person's acquisition of 25% or more of the Trust. See "Restrictions on Transferability."

Termination and Conversion

The Trust will terminate and dissolve, and distribute all of its assets to the Holders, in accordance with the Trust Agreement on the first to occur of (i) March 31, 2032, (ii) a Transfer Distribution or (iii) the sale of the Project. In the event that the Trust Manager determines that dissolution of the Trust is necessary and appropriate because of a Transfer Distribution, the Trust Manager will transfer title to the Project (or convert the Trust) to the Springing LLC, which will be owned by the Holders at the time of conversion and will be managed by the Trust Manager.

A "Transfer Distribution" will occur (a) if the Trust Manager makes a determination, in writing, that dissolution is necessary and appropriate because one of the following occurs: (i) the Master Tenant has failed to timely pay rent due under the Master Lease after expiration of the applicable notice and cure periods in the Master Lease (and the Trust is prohibited from taking actions that would remedy the situation), (ii) the Project is in jeopardy of being lost due to a default under the Loan (and the Trust is prohibited from taking actions that would remedy the situation), (iii) the Master Tenant files for bankruptcy, seeks appointment of a receiver, makes an assignment for the benefit of its creditors or there occurs any similar event, (iv) all or any portion of the Trust Estate becomes subject to a casualty, condemnation or similar event or (v) the Trust Manager determines it is necessary to take a Prohibited Action in order to avoid the loss or potential loss of all or a portion of the Trust Estate or its value, or (b) upon the occurrence of a Master Lease Termination Event. If the Trust transfers the Project (or the Trust converts) to the Springing LLC, the Holders will lose their ability to engage in a future Code Section 1031 exchange upon the sale or other disposition of the Project.

If the Project is transferred (or the Trust is converted) to the Springing LLC, the Holders will be required to provide their basis information to the Trust Manager within 30 days of the conversion.

Trust Limitations

The Trust may not take any of the following Prohibited Actions: (i) sell, transfer or exchange the Project except as required or permitted under the Trust Agreement; (ii) invest or reinvest any cash held by the Trust (including reserves) in anything other than short-term obligations maturing prior to the next distribution date, and held to maturity, of, or guaranteed by, the United States or any agency or instrumentality thereof, and certificates of deposit or interest-bearing bank accounts with a bank or trust company having a minimum stated capital and surplus of \$100,000,000; (iii) reinvest any monies of the Trust except to make minor nonstructural modifications or repairs to the Project as permitted under the Trust Agreement; (iv) reinvest the proceeds from the sale of the Project;

(v) renegotiate or refinance the Loan, except in the case of the Master Tenant's bankruptcy or insolvency; (vi) renegotiate, alter or extend the Master Lease, or enter into new leases, except in the case of the Master Tenant's bankruptcy or insolvency; (vii) make any modifications to the Project other than minor nonstructural modifications or as required by law; (viii) accept any capital contributions from any owner or other person (other than from the sale of the Interests which amounts are distributed to the Depositor) or (ix) take 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, if the effect of the action would be to create a power under the Trust Agreement to "vary the investment of the certificate holders" under Treasury Regulations Section 301.7701-4(c)(1) and the Revenue Ruling.

The Trust may not sell the Project until it has held the Project for 2 years and if the Trust Manager determines that it is appropriate to do so; provided, however, the Trust may sell the Project before 2 years if the Trust Manager has made a determination, in its sole discretion, that an event has occurred which could significantly and adversely affect the Project, including, but not limited to, condemnation or casualty, which was not contemplated at the time the Trust acquired the Project.

Distributions of Cash From Operations

After the payment of any fees and any expenses, as determined by the Trust Manager, and after the reductions for reserves, the Trust's net cash flow from operations will be distributed to the Holders in proportion to their Interests.

Distributions Upon Dissolution

Upon the dissolution of the Trust, any cash remaining after the winding up of the Trust's affairs in accordance with the laws of the Delaware Statutory Trust Act and providing for all costs and expenses, will be distributed to the Holders in proportion to their Interests.

Property Rights

The Holders have no right to possession of the Project. Pursuant to the Trust Agreement, the Holders have no legal title to the Trust Estate, and no interest in any specific Trust property. Each Holder waives any right to seek a judicial dissolution of the Trust, to terminate the Trust or right to demand and receive from the Trust an in-kind distribution of the Trust Estate or any portion thereof, or to partition the Trust Estate. In addition, each Holder agrees that it has no ability to file or consent to the filing of, a petition in bankruptcy on behalf of the Trust or take any action that consents to, aids, supports, solicits or otherwise cooperates in the filing of an involuntary bankruptcy proceeding involving the Trust.

Reports to Holders

The Trust Manager will keep customary and appropriate books and records of account for the Trust at the Trust Manager's principal place of business; provided, however, any inspection, examination and copying of the Trust's books and records (i) will only be for any purpose reasonably related to the Holder's interest as an owner of the Trust as determined by the Trust Manager in the Trust Manager's sole and absolute discretion and (ii) will be limited to information regarding the business and financial condition of the Trust and will specifically exclude any and all personal information with respect to the Holders, including, but not limited to, the names, addresses, email addresses and phone numbers of the Holders. The Trust will obtain unaudited financial statements on an annual basis which will be provided to the Holders upon request. The Holders may inspect, examine and copy the Trust's books and records other than any information related to any other Holders at any time during normal business hours. The Trust Manager will maintain appropriate books and records in order to provide reports of income and expenses to each Holder as necessary for such Holder to prepare their income tax returns. No Holder will have the right to information regarding the other Holders, and the Trust Manager will not disclose such information to any Holder and no personal information concerning any of the Holders, such as names and addresses, will be disclosed by the Trust Manager.

Amendments

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

Fees and Expenses

The Trust will be responsible for paying certain administrative fees related to the Trust including accounting and other fees.

SUMMARY OF THE SPRINGING LLC LIMITED LIABILITY COMPANY AGREEMENT

After a Transfer Distribution, the rights and obligations of the Holders, as members of the Springing LLC, will be governed by the limited liability company agreement of the Springing LLC (the "LLC Agreement"), a form of which is attached as Exhibit D to the Trust Agreement. Prospective Holders should carefully review the LLC Agreement before making an investment. The following is a summary of some of the significant provisions of the LLC Agreement. This summary is qualified in its entirety by reference thereto.

Generally

In connection with the transfer by the Trust of the Project to the Springing LLC (or the conversion of the Trust into the Springing LLC), the Trust will dissolve and the Holders will receive units in the Springing LLC in proportion to their Interests in the Trust in full redemption of, and complete exchange for, the Interests. The Trust Manager, or one of its Affiliates, will be the manager of the Springing LLC. No Interests will remain outstanding after a Transfer Distribution, and the Holders will own 100% of the units in the Springing LLC.

The nature of the business and the purposes of the Springing LLC will be to engage solely in activities related to acquiring, owning, holding, selling, assigning, transferring, operating, leasing, mortgaging, pledging, managing, servicing, conveying, safekeeping, disposing of, borrowing against, refinancing and otherwise dealing with the Project. The ability of the Springing LLC to engage in activities with respect to its assets will not be subject to the significant restrictions and limitations imposed on the Trust, the Delaware Trustee and the Trust Manager by the Trust Agreement.

Authority and Responsibilities of the Trust Manager

The Trust Manager will be appointed to serve as the manager of the Springing LLC to hold such office until the Trust Manager is removed or the Trust Manager withdraws or resigns. The Springing LLC will also have independent directors at all times, for so long as the Loan is outstanding.

The Trust Manager will have broad authority, powers, and rights to manage and control the business affairs of the Springing LLC, including the complete power to do all things necessary or incident to the management and conduct of the Springing LLC's business.

The Trust Manager and its Affiliates will be entitled to receive an annual fee, payable monthly, of \$40,000 in year 1 following the date the Trust entered into the Loan, \$41,000 in year 2, and for each year thereafter, the fee will increase by 3% annually. The Trust Manager and its Affiliates will not be reimbursed for overhead expenses incurred in connection with the Springing LLC. The Springing LLC will pay directly or reimburse the Trust Manager as the case may be, for all costs and expenses of the Springing LLC's operations, formation and termination. The Trust Manager or its Affiliate may enter into a property and asset management agreement with the Springing LLC with respect to the Project pursuant to which the Trust Manager or its Affiliate will be entitled to receive compensation for its services in managing, leasing, financing, overseeing construction and disposing of the Project. In the event the Springing LLC sells the Project, the Trust Manager or an Affiliate will receive a fee in an amount equal to 3.75% of the gross proceeds of such sale and will be responsible for paying any commission due to any real estate brokers engaged to assist with such sale.

In the event the Project is refinanced in connection with a Transfer Distribution, the Trust Manager will receive a financing fee equal to 1% of the principal amount of the new loan, plus reimbursement of any out-of-pocket expenses incurred by the Trust Manager in connection with the refinancing, including, but not limited to, expenses incurred in connection with third-party reports, legal fees, application fees, and mortgage brokerage fees to both non-affiliated and affiliated mortgage brokers.

At all times during the term of the Springing LLC, the Trust Manager will have a special power of attorney as the attorney-in-fact for each member with the power and authority to act in the name and on behalf of each member

to execute and take other actions with respect to documents that are not inconsistent with the provisions of the LLC Agreement.

The Trust Manager will be prohibited from resigning or withdrawing as the manager or doing anything that would require its resignation or withdrawal without the vote of members holding more than 50% of the units entitled to vote (a "Majority Vote"). The Trust Manager may be removed only for "cause" by a Majority Vote. Upon termination, removal, or withdrawal of the Trust Manager as the manager of the Springing LLC, the Trust Manager will be paid all earned but unpaid fees and other compensation in cash at or before the date of withdrawal.

Indemnification of Trust Manager

The Springing LLC will indemnify the Trust Manager (to the extent of the Springing LLC's assets) for any loss or damage incurred by the Trust Manager, its Affiliates, or the members in connection with the business of the Springing LLC other than for the Trust Manager's fraud, gross negligence or willful misconduct.

Rights and Obligations of Members

The members will have no obligation to make contributions to the Springing LLC except to the extent of the amount of any distributions made to such member by the Springing LLC in violation of the Delaware Limited Liability Company Act. No member will be individually liable for the Springing LLC's debts, liability, contracts or other obligations.

The members will not have the right to take part in the management or control of the business or affairs of the Springing LLC, to transact any business for the Springing LLC, or to sign for or bind the Springing LLC. The members do not have the right to (i) withdraw or reduce their contribution to the capital of the Springing LLC, except as a result of dissolution and termination of the Springing LLC or by law, (ii) bring action for partition against the Springing LLC or (iii) demand or receive property other than cash in return for their capital contribution. The members will have the right to receive information required for federal income tax reporting and certain other financial information and to inspect certain records of the Springing LLC. The members will have only limited voting rights with respect to certain other matters.

Distributions and Tax Matters

It is intended that the Springing LLC will make periodic distributions of substantially all cash determined by the Trust Manager to be distributable, subject to the following: (i) a restriction or suspension for periods when the Trust Manager determines in its reasonable discretion that doing so is in the Springing LLC's best interest and (ii) the payment, and maintenance of reasonable reserves for payment, of the Springing LLC's obligations. All distributions made with respect to the units will be in the ratio of the number of units held by each member on the date of such allocation to the total outstanding units as of such date. If the Springing LLC is required to make a tax payment to a government authority as a result of a member's ownership interest in the Springing LLC, any such tax payment will be deemed a loan to such member, which loan will bear interest at the Prime Rate (as defined in the LLC Agreement) and be payable upon demand or offset by any distribution which would otherwise be made to such member.

All income of the Springing LLC will be allocated to the members in proportion to their units. The Trust Manager will be required to use its best efforts to meet the applicable requirements for the Springing LLC to be classified for federal income tax purposes as a partnership. The Trust Manager will be appointed to represent the Springing LLC and its members as the partnership representative in connection with IRS matters. The Trust Manager will cause the Springing LLC to timely file all applicable tax returns with the appropriate authorities and to distribute, within 90 days after the Springing LLC's fiscal year end, all Springing LLC information necessary for the preparation of the members' individual income tax returns.

Transfer of Units

No transfer of a unit or any interest in the Springing LLC may be made unless the Trust Manager, in its sole discretion, has consented in writing to such transfer. In addition, no transfer may be made (i) if the effect of such transfer would be for the Springing LLC to be classified as a publicly traded partnership for federal income tax purposes, (ii) to any person who does not possess the required financial qualifications, (iii) to any minor or to any person who lacks the capacity to contract for themselves under applicable law, (iv) if the transfer will result in more

than 480 members, (v) if the transfer was not made by a written instrument of assignment executed by the assignor of such units and accepted by the Trust Manager, (vi) if the transfer will result in employee benefit plans (as defined in the LLC Agreement) owning 25% or more of the units or (vii) unless the transferring member pays a transfer fee pursuant to the LLC Agreement. The Trust Manager, with advice of counsel, must determine that the transfer will not jeopardize the applicability of the exemptions from the registration requirements under the Securities Act or any state securities laws relied upon by the Springing LLC and the Trust Manager in offering and selling the units or otherwise violate any federal or state securities laws. A transferee will not become a substituted member in the Springing LLC unless the Trust Manager consents and all of the following conditions are satisfied: (i) a duly executed and acknowledged written instrument specifying the number of units being assigned and the intention that the transfer take place has been filed with the Springing LLC, (ii) a transfer fee sufficient to cover all reasonable expenses required in connection with the transfer has been paid by or for the account of the transferee and (iii) all agreements and other instruments have been executed, acknowledged and delivered which the Trust Manager deems necessary to make the transferee a substituted member in the Springing LLC.

Meetings of the Members

The Trust Manager may call a meeting of the members at any time with respect to any matter on which the members are entitled to vote. Members whose combined units constitute more than 10% of all units then outstanding and entitled to vote may request that the Trust Manager call a meeting to vote and take action with respect to any issue on which the members may vote pursuant to the LLC Agreement. Upon receiving a proper written request stating the purpose of the meeting, the Trust Manager will be required to mail, within 20 days after receipt of such request, written notice of the meeting to all members of record on the record date, stating the general nature of the business to be conducted at such meeting, and such meeting will be required to be held at a time and place on a date not fewer than 10 days or more than 60 days after the date the Trust Manager mails such notice.

Termination and Winding Up

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

- (i) the happening of any event of dissolution specified in the Springing LLC's Certificate of Formation;
- (ii) a determination by the Trust Manager to terminate the Springing LLC;
- (iii) the entry of a decree of judicial dissolution;
- (iv) the sale of the Project held by the Springing LLC;
- (v) the death, insanity, withdrawal, retirement, resignation, expulsion, insolvency or dissolution of the Trust Manager unless the business of the Springing LLC is continued by the consent of the remaining members within 90 days following the occurrence of such event; or
- (vi) the expiration of the term of the Springing LLC.

In the event of the Springing LLC's dissolution, the Springing LLC's affairs will be terminated and wound up in accordance with Delaware law and the Springing LLC's remaining assets, after the payment of the unsecured creditors and the setting up of any reserves, will be distributed to the members in proportion to their units.

FEDERAL INCOME TAX CONSEQUENCES

The following discussion applies only to persons purchasing an Interest directly from the Trust. Prospective Holders should not view the following analysis as a substitute for careful tax planning, particularly because the income tax consequences of an investment in the Interests are uncertain and complex. Also, the tax consequences will not be the same for all taxpayers. Prospective Holders should be aware that the following discussion necessarily condenses or eliminates many details that might adversely affect some Holders.

Certain aspects of the following summary of federal income tax consequences are the subject of an opinion from DLA Piper LLP (US). The opinion is based on counsel's interpretation of the Code, Treasury Regulations promulgated thereunder, published rulings of the IRS and court decisions, as these existed at the time the opinion was rendered. An opinion of counsel only represents such counsel's best legal judgment and has no binding effect on the IRS or the courts. In addition, the opinion of counsel is based on certain factual representations and warranties from the Trust Manager and the Master Tenant that, if not true, may alter the conclusion of the opinion. Thus, no assurance can be given that the conclusions set forth in such opinion would be sustained by a court, if contested, or that legislative or administrative changes or court decisions will not be forthcoming that would significantly modify the statements and opinions expressed therein. Any such changes may or may not be retroactive with respect to transactions prior to the date of such changes.

Congress has enacted several major tax bills that substantially affect the tax treatment of real estate, including the TCJA, the provisions of which generally were effective for tax years beginning after December 31, 2017. Although the TCJA was enacted more than 2 years prior to the date of this Memorandum, there remains limited guidance regarding how various provisions of the TCJA apply to an investment in the Interests. Moreover, the CARES Act, which corrected and liberalized various provisions of the TCJA, was recently passed. No assurance can be given that the provisions of the TCJA will be interpreted and administered by the IRS in a manner consistent with the descriptions in this Memorandum, or that the IRS may interpret and administer the TCJA and the CARES Act in a manner that could have substantial negative income tax consequences on an investment in the Interests. Moreover, no assurance can be given that further amendments to the Code (including amendments having a retroactive effect) will not be enacted that could adversely affect the investment in and ownership of the Interests and the Trust's operations and activities.

The discussion of the tax aspects contained in this Memorandum is based on the law presently in effect and certain proposed Treasury Regulations. Congress could make substantial changes to the Code in the future, some of which may have considerable negative income tax consequences with respect to an investment in the Interests. It is impossible to predict the impact that any tax reform bill will have on the Trust and the Holders and any changes could materially reduce any income tax benefits to the Holders.

Counsel will not prepare or review the Trust's income tax information, which will be prepared by management and independent accountants for the Trust.

There is uncertainty concerning certain of the tax aspects discussed herein, and there can be no assurance that some of the deductions claimed or positions taken by a Holder will not be challenged by the IRS. Holders might be faced with substantial legal and accounting costs in resisting a challenge by the IRS to the tax treatment of an investment in an Interest, even if the IRS's challenge proves unsuccessful.

Prospective Holders should not purchase an Interest solely for the purpose of obtaining tax shelter for income from other sources. An Interest is unlikely to provide any such tax shelter. Prospective Holders are urged to consult their own tax advisors as to the tax consequences of purchasing an Interest.

Before purchasing an Interest, prospective Holders will be required to represent and warrant that (i) they understand that the tax consequences of an investment in an Interest, especially the treatment of the transaction under Code Section 1031 and the related "1031 exchange" rules, are complex and vary with the facts and circumstances of each individual Holder, (ii) they understand and are aware that there are substantial uncertainties regarding the treatment of an Interest as real estate for income tax purposes, (iii) they have read this entire Memorandum (including any supplements thereto) and fully understand that there is a significant risk that an Interest will not be treated as real estate for income tax purposes, (iv) if they are engaging in a tax-deferred exchange under Code Section 1031, they have independently obtained advice from their legal counsel and/or accountant regarding such tax-deferred exchange, including, without limitation, whether the acquisition

of an Interest may qualify as part of a tax-deferred exchange under Code Section 1031, (v) they understand that the Trust will not obtain a ruling from the IRS that an Interest will be treated as an undivided interest in real estate for federal income tax purposes and (vi) they understand that the opinion of counsel issued to the Trust is only counsel's view of the anticipated tax treatment and that there is no guaranty that the IRS will agree with such opinion.

Nature of Interests

Classification of Trust. The Trust will attempt to structure the Offering such that Holders are treated for federal income tax purposes as acquiring interests in real property and not an interest in an entity. If the Interests were to be treated by the IRS or a court as interests in an entity, then no Holder would be able to use its acquisition of Interests as part of an exchange under Code Section 1031.

The Trust obtained an opinion from counsel that for federal income tax purposes (i) after the effective date of the Conversion Notice, the Trust should be treated as an investment trust described in Treasury Regulations Section 301.7701-4(c)(1), that is classified as a “trust” for federal income tax purposes and (ii) the Holders should be treated as owning an undivided beneficial interest in the Trust's assets, including the Project, in proportion to their Interests for purposes of Code Section 1031.

The Trust has not received and will not request a private ruling from the IRS regarding the federal income tax classification of the Trust. There is always a risk that the IRS may not agree with such opinion. The opinion of counsel is predicated on all the facts, conditions and assumptions set forth in the opinion and is not a guarantee of the current status of the law and should not be accepted as a guarantee that a court of law or an administrative agency will concur in the opinion. If any of the facts, conditions or assumptions set forth in the opinion prove incorrect, it is likely that the tax consequences would change. The issue on which counsel to the Trust issued the opinion to the Trust has not been definitively resolved by statutes, regulations, rulings or judicial opinions. In addition, the opinion issued to the Trust is a “should” opinion. A “should” opinion means that counsel believes that, if properly litigated by competent counsel, an Interest should be treated as an interest in real property. Accordingly, no assurances can be given that the conclusions expressed in the opinion will be accepted by the IRS or any state taxing authority, or, if contested, would be sustained by a court, or that legislative changes or administrative pronouncements or court decisions may not be forthcoming that would significantly alter or modify the conclusions expressed herein. Further, because counsel represents the Trust, the opinion has been rendered to the Trust. The Holders may rely on the opinion of counsel subject to the limitations set forth in the opinion. No opinion is rendered as to whether the opinion of counsel may be used to avoid tax penalties and if it is used, whether a taxpayer will be successful in avoiding any penalties. The opinion of counsel is not applicable as to any individual tax consequences of a Holder or the individual application of the Code Section 1031 rules to such Holder. The opinion is not intended to be used by any taxpayer to avoid penalties. A copy of the opinion rendered to the Trust is attached hereto as Exhibit F.

In General. Code Section 1031(a)(1) provides that “[n]o gain or loss shall be recognized on the exchange of real property held for productive use in a trade or business or for investment if such real property is exchanged solely for real property of like kind which is to be held either for productive use in a trade or business or for investment.” Thus, a determination has to be made as to whether a Holder will be treated as acquiring an interest in real property.

Trust Must be Recognized as a Separate Entity. The first determination that has to be made is whether the Trust will be treated as an entity that is separate from its owners for federal income tax purposes. Whether an organization is an entity separate from its owners for federal income tax purposes is a matter of federal tax law and does not depend on whether the organization is recognized as an entity under local law. An entity that is formed under local law is not always recognized as a separate entity for federal income tax purposes. 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 tax purposes.

The initial determination is whether the Trust will be viewed as an entity. The IRS in Revenue Ruling 2004-86 (the “Revenue Ruling”) held that the Delaware statutory trust (“DST”) was an entity that was recognized as separate from its owners. The IRS made this determination based on the fact that (i) creditors of the beneficial owners of the DST could not assert claims directly against property owned by the DST, (ii) the DST could sue or be sued and the property held by the DST was subject to attachment and execution as if it were a corporation, (iii) the beneficial

owners of the DST were entitled to the same limitation on personal liability because of actions of the DST that is extended to stockholders of Delaware corporations, (iv) the DST could merge or consolidate with or into 1 or more statutory entities or other business entities and (v) the DST was formed for investment purposes. The foregoing limitations also apply to the Trust. Thus, based on the above, the Trust should be recognized as a separate entity.

The next determination that must be made is whether the Trust or the Trust Manager will be viewed as an agent of the Holders. Whether a trust or its trustee is an agent of a trust's beneficial owners depends upon the agreement between the parties. An entity that is formed to act as a mere agent of its owners will not be treated as an entity that is separate from its owners for federal income tax purposes.

The United States Supreme Court in Commissioner v. Bollinger, 485 U.S. 340 (1988), held that the owners of a corporation were the owners of the property and the corporation was an agent for the owners. The corporation agreed (i) to hold title to the property as the owners' nominee and agent solely to secure financing, (ii) that the owners had sole control and responsibility for the property and (iii) that the owners were the principal and owner of the property during its financing, construction and operation.

The IRS concluded in Revenue Ruling 92-105, 1992-2 C.B. 204, that an interest in an Illinois land trust constituted real property and the trust was not treated as a separate entity for federal income tax purposes. The taxpayer in the revenue ruling created an Illinois land trust, was named the beneficiary and named a domestic corporation as trustee. The taxpayer transferred legal and equitable title to certain real property to the trust subject to the provisions of an accompanying land trust agreement. Under the land trust agreement, the taxpayer (i) retained exclusive control of the management, operation, rental, and sale of the real property, together with an exclusive right to the earnings and proceeds from the real property and (ii) was required to file all tax returns, pay all taxes, and satisfy any other liabilities with respect to the real property. Because the trustee's only responsibility was to hold and transfer title to the property at the direction of the beneficiary, and because the beneficiary retained the direct obligation to pay liabilities and taxes related to the property, the right to manage and control the property, as well as any liability with respect to the property, the IRS concluded that a trust was not established.

The Trust should not be viewed merely as an agent of the Holders because, unlike the trusts in Bollinger and Revenue Ruling 92-105, 1992-2 C.B. 204, the Holders have no right or power to direct the actions of the Trust, the Trust Manager or the Master Tenant in connection with the management or operation of the Trust or the Project. Specifically, the Holders have no right or power to contribute additional assets to the Trust, cause the Trust to negotiate or renegotiate loans or leases, or cause the Trust to reinvest the proceeds of a sale of its assets. The Trust Agreement provides that the Trust's sole purpose is to acquire, lease and dispose of the Project. Additionally, the Trust is subject to "single asset entity" provisions as mandated by the Lender. These provisions evidence an intent that the Trust will engage in activities on its own behalf rather than as an agent of the Holders. Finally, because the Trust is a DST, the Holders may avail themselves only of the limited powers and privileges afforded to a beneficial owner under Delaware law. Based on the above, the Trust should be recognized as an entity separate from the Holders for federal income tax purposes and the Trust, the Delaware Trustee and the Trust Manager should not be viewed as agents of the Holders for federal income tax purposes.

Trust Treated as an Investment Trust. The next determination is whether the Trust will be treated as a "business entity" or as an "investment trust" that is classified as a trust pursuant to Treasury Regulations Section 301.7701-4(c)(1). In general, the term "trust" refers to an arrangement created either by a will or by an inter vivos declaration whereby trustees take title to property for the purpose of protecting or conserving it for the beneficiaries. The beneficiaries of such a trust may be the persons who created it and it will be recognized as a trust if it was created for the purpose of protecting or conserving the trust property for beneficiaries who stand in the same relation to the trust as they would if the trust had been created by others for them. Generally, an arrangement will be treated as a trust if it can be shown that the purpose of the arrangement is to vest in trustees responsibility for the protection and conservation of property for beneficiaries who cannot share in the discharge of this responsibility and, therefore, are not associates in a joint enterprise for the conduct of business for profit. 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 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 business entity, however, an investment trust with multiple classes of ownership interests, in which there is no power under the trust agreement to vary the investment of the certificate holders, will be classified as a trust 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. A power to vary the investment of the certificate holders exists where there is managerial power, under the trust instrument, that enables a trust to take advantage of variations in the market to improve the investment of the investors.

The Revenue Ruling involved the determination of the tax treatment of a DST that invested in real property. Under the Revenue Ruling, Party A borrowed money, on a nonrecourse basis, from a bank and used the proceeds of the loan to purchase rental real property (“Blackacre”). The note was secured by Blackacre. Immediately following Party A’s purchase of Blackacre, Party A entered into a net lease with Party Z for a 10 year term. Under the terms of the lease, Party Z was required to pay all taxes, assessments, fees or other charges imposed on Blackacre. In addition, Party Z was required to pay all insurance, maintenance, ordinary repairs and utilities relating to Blackacre. Party Z could sublease Blackacre. Party Z’s rent was a fixed amount that could be adjusted by a formula described in the lease agreement that was based upon a fixed rate or an objective index provided that the adjustments to the rate or index were not within the control of any of the parties to the lease. The rent was not contingent on Party Z’s ability to lease the property or on Party Z’s gross sales or net profits derived from Blackacre.

On the same day, Party A formed a DST and Party A contributed Blackacre to the DST. The DST assumed Party A’s rights and obligations under the note with the bank and the lease with Party Z. Neither the DST nor any of its beneficial owners were personally liable to the bank on the note, which continued to be secured by Blackacre.

The trust agreement provided that interests in the DST were freely transferable. The DST terminated on the earlier of 10 years from the date of its creation or the disposition of Blackacre, but did not terminate on the bankruptcy, death or incapacity of any owner or on the transfer of any right, title or interest of an owner. The trust agreement further provided that interests in the DST would be of a single class, representing undivided beneficial interests in the assets of the DST.

Under the trust agreement, the trustee was authorized to establish a reasonable reserve for expenses associated with the holding of Blackacre that may be payable out of trust funds. The trustee was required to distribute all available cash less reserves quarterly to each beneficial owner in proportion to their respective interests in the DST. The trustee was 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 was permitted to invest only in obligations maturing prior to the next distribution date and was required to hold such obligations until maturity. In addition to the right to a quarterly distribution of cash, each beneficial owner had the right to an in-kind distribution of its proportionate share of trust property.

The trust agreement provided that the trustee’s activities were limited to the collection and distribution of income. The trustee could not exchange Blackacre for other property, purchase assets other than the short-term investments described above or accept additional contributions of assets (including money) to the DST. The trustee could not renegotiate the terms of the debt used to acquire Blackacre and could not renegotiate the lease with Party Z or enter into leases with tenants other than Party Z, except in the case of Party Z’s bankruptcy or insolvency. In addition, the trustee could make only minor nonstructural modifications to Blackacre, unless otherwise required by law. The trust agreement further provided that the trustee could engage in ministerial activities to the extent required to maintain and operate the DST under local law.

Neither the DST nor its trustee entered into an agreement with the beneficial owners creating an agency relationship, and neither the DST nor its trustee acted as an agent of the beneficial owners.

To determine whether the DST qualified as an investment trust that is classified as a trust for federal income tax purposes, the Revenue Ruling discussed whether the trust agreement granted the power to vary the investment held by the DST. The Revenue Ruling indicated that the financing and leasing arrangements related to Blackacre were made prior to the inception of the DST and were fixed for the entire life of the DST. Further, the trustee was permitted to only invest in short-term obligations that matured prior to the next quarterly distribution date and was required to hold the obligations until maturity. The Revenue Ruling concluded that because the trust agreement required that any cash from Blackacre, and any cash earned on short-term obligations held by the DST between distribution dates, be distributed quarterly and because the disposition of Blackacre resulted in the termination of the DST, no reinvestment of such monies was possible.

The Revenue Ruling emphasized that the trustee's activities were limited to the collection and distribution of income. The trustee could not exchange Blackacre for other property, purchase assets other than short-term investments or accept any additional contributions of assets (including money) for the DST. The trustee could not renegotiate the terms of the loan and could not renegotiate the lease with Party Z or enter into leases with tenants other than Party Z except in the case of Party Z's bankruptcy or insolvency. In addition, the trustee could only make minor nonstructural modifications to the property except to the extent required by law. The Revenue Ruling noted that the trustee had none of the powers which evidence an intent to carry on a profit making business. The Revenue Ruling concluded that because the trustee had no power to vary the investment of the beneficiaries of the trust, the DST will be classified as a "trust" for federal income tax purposes.

The Revenue Ruling indicated that the trust arrangement would not have qualified as an investment trust, and therefore would not have been classified as a "trust," if the trustee had been given the power to do 1 or more of the following:

- dispose of Blackacre and acquire new property;
- renegotiate the lease with Party Z, or enter into a lease with a tenant other than Party Z (other than in the case of the bankruptcy or insolvency of Party Z);
- renegotiate or refinance the loan used to purchase Blackacre (other than in the case of the bankruptcy or insolvency of Party Z);
- invest cash received to profit from market fluctuations; or
- make more than minor nonstructural modifications to Blackacre that were not required by law.

The Trust Agreement. The powers and authority granted to the Trust Manager in the Trust Agreement are intended to fall within the limited scope of the powers and authority that may be exercised by a trustee of an "investment trust." The Trust Agreement authorizes the Trust Manager to comply with the terms of the Loan documents, collect rents and make distributions, enter into any agreements for the purposes of enabling a Holder to complete a like-kind exchange, notify the relevant parties of any default under the transaction documents, and enter into a new lease solely under very limited circumstances pertaining to a bankruptcy or insolvency of the Master Tenant or renegotiate or refinance any debt secured by the Project (including, without limitation, the Loan) solely under very limited circumstances pertaining to a bankruptcy or insolvency of the Master Tenant. Additionally, the Trust Agreement expressly denies the Trust Manager any power or authority to take any action that would cause the Trust to cease to be an investment trust described in Treasury Regulations Section 301.7701-4(c) or of each Holder as a "grantor" within the meaning of Code Section 671. Many of the prohibited actions are factual in nature (i.e., whether or not more than a minor nonstructural modification, other than as required by law was performed at the Project). Counsel is relying on the Tax Certificate regarding certain factual matters and will not independently verify the accuracy of the matters subject to such certification.

Although the Trust Agreement grants certain powers to the Trust Manager and/or the Delaware Trustee that are not addressed in the trust arrangement described in the Revenue Ruling, we believe that these powers should not prevent the Trust from being treated as an investment trust. Those powers include (i) the sale of the Project and (ii) the potential liquidation and termination of the Trust as a result of a Transfer Distribution. Counsel believes that neither of these powers permit the Delaware Trustee or Trust Manager to vary the investments of the certificate holders of the Trust in a manner that results in the Holders improving their investment results based on variations in the market.

The power granted under the Trust Agreement to sell the Project should not be viewed as a power to vary the Trust's investments because the Trust is prohibited from reinvesting the proceeds of the sale. Immediately after a sale of the Project, the Trust Manager must distribute the sales proceeds to the Holders and the Trust will terminate. The Delaware Trustee has no power to purchase replacement investments with the proceeds from the sale of the Project. As a result, the fact that the Delaware Trustee has the power to sell the Project should not prevent the Trust from being treated as an investment trust that is classified as a "trust" for federal income tax purposes.

A Transfer Distribution should not be viewed as inconsistent with the limitations imposed on an investment trust under the Revenue Ruling. A Transfer Distribution would occur only under specified circumstances that would, in the absence of the Trust termination, require actions that either are not authorized, or are prohibited, by the Trust Agreement. The fact that such circumstances are not expected or likely further supports the conclusion that a Transfer Distribution is not intended to circumvent the passive nature of the Trust with respect to its ownership of the Trust Estate. The termination of the Trust and the transfer of the Trust Estate (or the conversion of the Trust) to the Springing LLC, an entity that has the power to engage in the actions required under the specified circumstances, is evidence that the Trust is intended to act simply as a passive holder of the assets comprising the Trust Estate.

Master Lease. As set forth in the Revenue Ruling, the Trust must be considered an “investment trust.” Pursuant to Treasury Regulations Section 301.7701-4(c), an “investment” trust will not be classified as a trust if there is a power to vary the investment of the certificate holders. If the Trust has the power to vary the investment of the certificate holders, the Trust will be considered a business trust for federal income tax purposes. The Revenue Ruling involved a DST that entered into a net lease for the property. The courts have interpreted a net lease, for federal income tax purposes, to mean a lease that is designed to transfer (or minimize) the economic risk of fluctuating operating costs from the lessor to the lessee. Generally, if a tenant is responsible for paying for all expenses related to the property and operating the property, the activities of the trust should be considered to be the mere leasing of property and not the operation of a trade or business. The Trust is required to pay debt service under the Loan. In addition, pursuant to the Master Lease the Trust must pay for the Trust Obligations. Thus, the Master Lease is not similar to the net lease described in the Revenue Ruling.

The Revenue Ruling does not incorporate the requirement for a net lease in the legal analysis regarding whether the DST will be considered to be an investment trust and is only a factual statement in the Revenue Ruling. The Revenue Ruling does enumerate 7 prohibited actions which would cause the trust not to be treated as an investment trust for federal income tax purposes. The lack of a net lease was not included in these prohibitions. Thus, it does not appear that the Revenue Ruling imposes a requirement that, in order to be considered an investment trust, the lease between the DST and the tenant must be a net lease similar to the one described in the Revenue Ruling.

There is not a consistent definition of “net lease” under the Code and judicial authority. Thus, it is not clear whether the Master Lease would be considered to be a net lease for federal income tax purposes. Former Code Section 57(c)(1) provided that a lease would be considered to be a net lease if, for a taxable year the sum of the deductions of the lessor with respect to a property (which are allowable solely by reason of Code Section 162 other than rents and reimbursed amounts with respect to such property) were less than 15% of the rental income produced by such property. If this test were applied to the Master Lease, the Master Lease would be considered to be a net lease for federal income tax purposes based on the Projections prepared by the Trust Manager. However, it is possible that the fact that the Trust is responsible for the Trust Obligations could cause the Master Lease to be treated as a gross lease (and not a net lease) for federal income tax purposes.

Even if the Master Lease were to be considered a gross lease (and not a net lease), there is no authority under Treasury Regulations Section 301.7701-4(c) regarding whether the lease of real property under a lease that is not a net lease will have any effect on whether the Trust will be considered an investment trust. If the Trust were considered to be in an active trade or business, the Trust would not qualify as an investment trust. Certain rules have developed regarding whether the activities of a taxpayer will be sufficient to be considered engaging in an active trade or business when the taxpayer merely receives income from rental property. The majority of the case law regarding whether or not the ownership of real estate will be considered to be a trade or business is based on the activities of the taxpayer. For example, in Revenue Ruling 79-394, the IRS found that a corporation was considered to be engaged in an active trade or business if its conduct of its rental activities “demonstrates considerable day to day management and operational activity sufficient for purposes of distinguishing such conduct from passive investment in real estate. Furthermore, objective criteria such as [the corporation’s] acquiring, renovating, refurbishing, maintaining, leasing and servicing its rental property and its payment of salaries and expenses support this conclusion.” Further, in PLR 7904019 (October 24, 1978), an individual owned and leased property under a lease that required the landlord to pay for taxes, insurance and for certain operational expenses related to the property. The IRS indicated that, although the landlord was required to pay for certain expenses related to the property, the landlord did not supervise or participate in the operation or management of the property. Thus, the landlord was not engaged in a trade or business. Under Code Section 512(b)(3)(B)(ii), courts have held that a landlord’s payment of a number of expenses related to property subject to a crop-sharing lease would not prevent the rent paid to the landlord from qualifying as “passive rent.” See, e.g., Trust U/W Emily Oblinger v. Commissioner, 100 T.C. 114 (1993); White’s Iowa Manual Labor Institute v.

Comm'r, TCM 1993-364 (the landlord and tenant share some expenses equally, the tenant paid the “substantial” operating expenses, including machinery and labor costs, and the landlord “agreed to pay certain other costs which primarily affected the value of the farm; i.e., materials to repair buildings, fences, and other improvements, and lime to improve or maintain the quality of the soil”). When looking at the sharecrop leases, the courts focused on the fact that the lease terms were customary in the applicable market when finding that the leases were true leases for federal income tax purposes. Treasury Regulations Section 1.856-4(b)(3) (made applicable to leases by charitable organizations by Treasury Regulations Section 1.512(b)-1(c)(2)(iii)(b)) provides that “an amount will not qualify as ‘rents from real property’ if, considering the lease and all the surrounding circumstances, the arrangement does not conform with normal business practice but is in reality used as a means of basing the rent on income or profits.” However, in AOD 1994-01, the IRS stated that it did not agree with the cases that had held the sharecrop leases to be true leases, but, in view of its lack of success in the courts, had decided that it would no longer litigate these issues with regard to the “typical crop-sharing agreement.” Counsel has received and relied on the Tax Certificate containing representations that the terms of the Master Lease are consistent with market terms of similar leases and is not an effort to share in income or profits.

In separate authority under the Subchapter S rules, the determination of whether the ownership of real estate will result in “passive investment income” looks at both the activities and the amount of funds expended by the owner of the real estate. A Subchapter S election will be terminated if a corporation (i) has accumulated earnings and profits at the close of each of 3 consecutive taxable years and (ii) has gross receipts for each of such taxable years more than 25% of which are “passive investment income,” which includes for this purpose “rents.” Treasury Regulations Section 1.1362-2(c)(5)(ii)(B)(2) provides, however, that “rents” do not include rents derived in the active trade or business of renting property, and states that rents received by a corporation are derived in the active trade or business of renting property only if the corporation provides significant services or incurs substantial costs in the rental business. There is limited authority interpreting the above definition of “substantial costs” for this purpose. In PLR 200808004 (February 2, 2008), the only private letter ruling that appears to interpret this phrase, the IRS indicated that the standard to be applied when making this determination is based “upon all the facts and circumstances, including, but not limited to, the number of persons employed to provide the services and the types and amounts of costs and expenses incurred (excluding depreciation).” In PLR 200808004, the IRS determined that a corporation’s payment of real property taxes in respect of leased property did not constitute engaging in an active trade or business. The Master Lease provides that the Trust is responsible for the Trust Obligations. Thus, if the standard applied in PLR 200808004 is applied to the Trust, the Trust could be viewed as incurring “substantial costs” which would result in the Trust being engaged in an active trade or business and the Trust would fail to qualify as an investment trust for federal income tax purposes. However, it should be noted that this provision has been limited to Subchapter S and has not been applied to other areas of the Code where a similar determination of whether a taxpayer is involved in a trade or business is required.

The Trust is merely leasing property to the Master Tenant and the Master Tenant, and not the Trust, has the obligation to operate the Project and provide the day-to-day repair and maintenance of the Project. The Trust has no employees, and is merely paying for certain expenses associated with the Project, rather than actively providing services to the Master Tenant or to the Project. The Master Tenant, and not the Trust, is responsible for engaging contractors to perform the services for the maintenance and repair of the Project. Moreover, the Trust’s financial responsibilities primarily relate to expenses of a type that benefit the Project as a whole, and, therefore, protect and conserve the value of the Trust Estate. As a result, even though the Master Lease is not a net lease as set out in the factual assumptions in the Revenue Ruling, the Trust should not be viewed as engaging in an active trade or business that would prevent it from being treated as an investment trust.

True Lease. The Project is leased by the Trust to the Master Tenant pursuant to the Master Lease. The IRS could take the position that the Master Lease is not a true lease and is instead an agency relationship. If such a position were taken, the Trust would not qualify as an investment trust and Interests would not qualify as real property for purposes of Code Section 1031. In determining whether a lease arrangement is a true lease, rather than an agency relationship, the IRS and the courts have generally engaged in a fact-intensive analysis which focuses on the following 2 factors: (i) who controls the use of the property and (ii) who bears the risk of loss in respect of such use.

Where the property owner controls the use or operation of the property, an agency or financing relationship is more likely to be found. In determining who holds control with respect to the use or operation of property, the IRS and the courts have adopted flexible standards to weigh whether the right to exploit the use of the property for its own benefit has been sufficiently transferred to the lessee. In Amerco v. Commissioner, 82 T.C. 654 (1984), the Tax Court

found that the lessee's day-to-day control over the use and leasing of the trucks, power to set or recommend the terms of leasing the trucks to the public, and exclusive control and supervision over all operating expenses was sufficient lessee control to outweigh the lessor's right to require periodic accountings and to enter the premises to determine whether income was reported accurately and the obligation of the lessee to promote the welfare of the lessor. In contrast, in Meagher v. Commissioner, T.C. Memo. 1977-270 (U.S. Tax Ct.), the Tax Court found that an agency relationship existed where the lessee was required to use its best efforts to lease the owner's railway cars, maintain adequate records and obtain insurance with the owner as a co-beneficiary. However, in Meagher, the Tax Court also focused on the fact that the "rent" due under the purported lease was based on net earnings and no payment was due to the lessor if the property did not generate a net profit. Factors which indicate that the lessee holds powers or obligations which are indicia of property rights, such as the lessee's continuing exclusive right to use and possess the property following a sale of the property by the lessor or an obligation to pay rent regardless of the profit generated by a property can shift the balance towards a finding of a true lease. Although the Master Lease restricts the use of the Project, the Master Tenant has the exclusive right to use and possess the Project pursuant to the Master Lease. In addition, the Master Tenant has control over the day-to-day operation and maintenance of the Project and is responsible for all costs associated with such operation and maintenance. Further, the Master Tenant has an obligation to pay rent to the Trust regardless of whether the Project generates any profit. In addition, any profits generated by the Master Tenant's operation of the Project will be retained by the Master Tenant.

If the property owner bears the risk of loss from the operations or activities conducted at the property, an agency relationship is more likely to be found. In determining who holds the risk of loss, courts have focused on whether "rent" payments are required only if there is a net profit, whether the lessee is entitled to a minimum or maximum fee, or whether the liability of the owner with respect to operating expenses or the activities of the property are limited.

The Master Lease requires the Trust to be responsible for the Trust Obligations. However, the Master Tenant is responsible for the payment of the day-to-day operating expenses of the Project. The Master Lease provides that neither the Trust nor the Master Tenant may take any action that would violate the provisions of the Revenue Ruling including that neither the Trust nor the Master Tenant may make any modification to the Project other than minor nonstructural modifications or as required by law. Counsel has received and relied upon, the Tax Certificate stating that the terms of the Master Lease are consistent with the market terms of leases similar to the Master Lease and are not merely a disguised attempt to share in the profits or income of the Project. The Master Tenant is obligated to pay Base Rent due under the Master Lease, including Additional Rent (as defined in the Master Lease) for reimbursement of taxes and insurance, regardless of whether the Project generates a profit.

There is limited case law with respect to whether limited capitalization of a lessee effectively shifts the risk of loss to the lessor. The Master Tenant's only initial assets are (i) the Master Lease, (ii) \$250,000 of cash and (iii) a \$500,000 promissory note issued by CORE Pacific (guaranteed by the Guarantor Principals). Counsel has received and relied on the Tax Certificate containing representations that the Master Tenant is adequately capitalized considering its obligations, including, but not limited to, those under the Master Lease. If the Master Lease is not respected as a true lease, the Master Tenant will be treated as an agent of the Trust and the business activities of the Master Tenant in operating the Project will be attributed to the Trust. In such case, the Interests would likely be considered partnership interests and not interests in real estate.

In addition to a potential challenge described above that the Master Tenant is acting as agent for the Trust, the IRS could assert that the Master Lease and the Loan create in substance a partnership arrangement between the Trust and the Master Tenant for federal income tax purposes. For such a challenge to succeed, the IRS would likely need to show that the Master Tenant and the Trust not only share revenue but also share risk of loss from owning and operating the Project. Upon the occurrence of an Event of Default under in the Loan documents (which includes the default by the Master Tenant under the Master Lease and the subordination agreement it has entered into with respect to the Loan), the Lender has the right to require that all funds from the operations of the Project and the rent paid by the Master Tenant to the Trust be swept into separate lockbox accounts under the control of the Lender. The Loan documents require that the cash from operations at the Project be segregated into a cash management account in the name of the Lender (the "Lockbox Account") and the amount representing rent under the Master Lease be held in a lockbox in the name of the Lender. The Lockbox Account will be used to collect the income from the Project and to pay the Master Tenant's expenses as set forth in the Master Lease. Upon an Event of Default under the Loan documents, the Lender will have the right to apply the amounts in the Lockbox Account against obligations under the Loan documents after the payment of rent under the Master Lease. This arrangement may, under certain

circumstances, give the Lender the right to take funds of the Master Tenant that were held in the Lockbox Account in excess of amounts the Master Tenant owes to the Trust pursuant to the Master Lease. In order to avoid the potential loss sharing, (i) the Trust is contractually obligated to reimburse the Master Tenant for any amounts that the Lender takes in excess of the Master Tenant's rent obligations and (ii) the Trust has established a \$35,000 Reimbursement Reserve that is not subject to the Lender's security agreement to provide funds to satisfy any such reimbursement obligations. The Trust Manager has certified that the \$35,000 Reimbursement Reserve is expected to be sufficient to cover any reimbursement obligation it may have under this arrangement. Further, if at any time it appears as if additional funds in excess of the \$35,000 Reimbursement Reserve may be taken by the Lender, the Trust will be required to convert into the Springing LLC.

The IRS could take the position that the lockbox provisions described above could result in the Trust and the Master Tenant having entered into a loss sharing arrangement which is one of the factors that the IRS considers when determining whether a partnership has been created for federal income tax purposes. Although the Trust and the Master Tenant do not intend to form a partnership with each other, if a loss sharing arrangement has been created, it could cause the Trust and the Master Tenant to be considered to be in a partnership for federal income tax purposes. However, given the obligation of the Trust to reimburse the Master Tenant for any excess amounts taken by the Lender, the Master Tenant is unlikely to be required to fund any amount to the Trust in excess of its obligations to the Trust. As a result, the Master Lease should not be considered a partnership for federal income tax purposes. If the Master Tenant and the Trust were viewed to be a partnership for federal income tax purposes, the interest in the Trust would not qualify as real estate for purposes of Code Section 1031. Further, if a Master Lease Termination Event occurs and the Lender terminates or directs the Trust to terminate the Master Lease, and the Trust springs into a limited liability company, the beneficial interest holders will not be able to participate in a Section 1031 exchange on the sale of the Project by the Springing LLC.

The Loan documents have been prepared using forms recently released by Fannie Mae for loans to Delaware statutory trusts. It is not entirely clear how these loan documents may adversely impact whether (i) a borrower that is a Delaware statutory trust qualifies as a grantor trust for federal income tax purposes and (ii) the Master Lease will be respected as a true lease for federal income tax purposes. There are provisions in the Loan documents that may not be considered commercially reasonable and may impact the treatment for federal income tax purposes, including the following: (i) the ability of the Lender to apply Master Tenant funds in excess of what the Master Tenant owes under the Master Lease; (ii) the Master Tenant is required to provide a power of attorney to the Trust and the Trust is required to provide a power of attorney to the Lender and, as a result, the Lender has the power to operate the Project even if there is no default under the Loan documents; (iii) if there is a default by the Trust under the Master Lease, the Master Tenant should also be entitled to recover damages, however, the Loan documents prohibit any recovery by the Master Tenant; (iv) the Master Tenant should not be making any representations to the Lender regarding the status of the Project because the Project is owned by the Trust; and (v) the Lender can take over the Project if it believes that there is an adverse event that may occur whether or not it actually does occur and whether or not there is a default.

Revenue Procedure 2001-28, 2001 C.B. 1156 sets forth the guidelines the IRS will use in determining whether certain transactions purporting to be leases of property are, in fact, leases or something else for federal income tax purposes. Revenue Procedure 2001-28 provides that the lessor must have an initial investment in the property equal to at least 20% of the cost of the property, the lessor must maintain an investment equal to at least 20% of the cost of the property during the ownership period and the lessor must represent and demonstrate that an amount equal to at least 20% of the original cost of the property is a reasonable estimate of what the fair market value of the property will be at the end of the lease term. The Trust Manager has certified that the above requirements have been met (with respect to the initial investment) and are anticipated to be met (with respect to the continued and residual value). In addition, the IRS has indicated in Revenue Procedure 2001-28 that the lessor must represent and demonstrate that a remaining useful life for the property of the longer of 1 year or 20% of the originally estimated useful life of the property is a reasonable estimate of what the remaining useful life of the property will be at the end of the lease term. For purposes of determining the lease term, all renewal options or extension periods except renewals or extension periods at the option of the lessee at fair market value at the time of such renewal or extension are included. The Master Lease has an initial 10-year term with no renewal options. The Needs Assessment indicates that the Project has a remaining useful life of not less than 40 years. Thus, there should be at least 20% of the useful life of the Project left at the end of the renewal term of the Master Lease.

Multiple Classes of Ownership Interests. The Treasury Regulations provide that a trust arrangement that would be treated as an investment trust with multiple classes of ownership will still be treated as an investment trust if the multiple classes of ownership interests are incidental to the investment purpose of the trust.

It is possible that the IRS may assert that the redemption of the Class B beneficial interests gives rise to multiple classes of ownership interests even though the rights of a Class B beneficial interest owner otherwise will be identical to the rights of the Holders. Counsel has indicated that it believes that the redemption right should be treated as existing simply to facilitate an investment in the Interests. The redemption simply replaces the Class B beneficial interest owner's pro rata ownership interest in the Trust and its underlying assets with that of the Holders. This same result could be accomplished by selling the Class B beneficial interests. Because under either scenario the result is the same, and in neither situation is there any variation in the underlying assets owned by the Trust, counsel has indicated that it believes that the formal mechanism by which the Trust's interests are transferred to the Holders should not affect the tax consequences of the underlying transaction.

This analysis is consistent with the IRS statement in the Revenue Ruling that its conclusions would have been the same regardless of whether the trust property (Blackacre) had been sold directly to Party A, and then contributed to the trust or, as in the facts in the Revenue Ruling, contributed to the trust followed by a sale of an interest in the trust to Party A. Under these circumstances no multiple classes of ownership interests in the Trust should exist.

Holders Treated as "Grantors" of the Trust. A "grantor" of a trust includes any person to the extent such person either creates a trust or directly or indirectly makes a gratuitous transfer of property, including cash, to a trust. A gratuitous transfer to a trust includes a transfer of cash to the trust in exchange solely for an interest in the trust. The term "grantor" also includes any person who acquires an interest in a trust from a "grantor" of the trust if the interest acquired is an interest in an investment trust that is treated as a trust. The Revenue Ruling also considered whether the purchase of interests in the trust arrangement by Party B and Party C would be treated as an acquisition of interests in Blackacre which was owned by the trust. The IRS concluded that Party B and Party C should be treated as grantors of the trust when they acquired their interests in the trust from Party A, who had formed the trust.

Similar to the Revenue Ruling, the Holders should be treated as "grantors" of the Trust. The Holders will transfer cash to the Trust in exchange solely for an Interest therein. Because receiving an Interest in the Trust is not treated as the receipt of property, the Holders should be treated as making a gratuitous transfer to the Trust. Thus, the Holders should be treated as "grantors" of the Trust.

Holders Treated as Owning an Undivided Interest in the Project. A "grantor" that is treated as the owner of an undivided fractional interest of the assets in a trust under the provisions of subchapter J of the Code is considered to own the trust asset attributable to that undivided fractional interest of the trust for all federal income tax purposes. A grantor is treated as the owner of any portion of a trust whose income, without the approval or consent of any adverse party is, or in the discretion of the grantor or a non-adverse party, or both, may be distributed to the grantor or held or accumulated for future distribution to the grantor.

In the Revenue Ruling, the IRS concluded that, because Party B and Party C had the right to distributions of all the income of the trust attributable to their undivided fractional interests, they should be treated under Code Section 677 as the owners of an aliquot portion of the trust, and all income, deductions and credits attributable to that portion were includible by Party B and Party C in computing their taxable income. Because the owner of an undivided fractional interest of a trust is considered to own the trust assets attributable to that interest for federal income tax purposes, the IRS treated Party B and Party C as each owning an undivided fractional interest in Blackacre for federal income tax purposes.

Several of the rights accorded under the Trust Agreement to the Holders as "grantors" should result in the Holders being treated as owning a direct interest in the Project. The Holders have the right to the distribution of all income received by the Trust without the approval, consent, or exercise of discretion by any person. Additionally, the Holders have a total reversionary interest in the assets of the Trust. These rights of the Holders as grantors should result in the Holders being treated as owning a direct interest in the Trust's assets for federal income tax purposes.

Treatment as Real Estate. The provisions of Code Section 1031 do not apply to "(B) stocks, bonds or notes, (C) other securities or evidences of indebtedness or interest." This phrase has not been defined precisely; the exact connotation associated with the term "other securities" is not clear. The exclusion in Code Section 1031 for "other

securities” was added to preclude brokers, investment houses and bond houses from arranging tax-free exchanges of appreciated securities. There are other Sections of the Code that define “securities” under the Code including Code Sections 165(g) and 1236(c). These Sections of the Code have narrow definitions of the term “securities.” However, it is not clear whether the definitions in these Sections of the Code apply or whether a broader view should be taken. In G.C.M. 35242, the IRS indicated after discussing the definition of “securities” in Code Sections 165(g)(2) and 1236(c), that “we believe it persuasive that Congress has consistently defined the term ‘securities’ in a limited sense.” The IRS thus concluded in G.C.M. 35242 that they did not believe whiskey warehouse receipts were “securities” under Code Section 1031. This occurred even though the SEC believed they were securities under securities law. Further, in Plow Realty Co. of Texas, 4 T.C. 600 (1945), mineral deeds were not securities under the predecessor to Code Section 543 even though they were securities under applicable securities law. Consequently, if these provisions are applied, an Interest should not be considered a security under the tax law definition of security even though an Interest will be a “security” under applicable federal and state securities laws.

The nonrecognition rules of Code Section 1031 do not apply to an exchange of real property for a certificate of trust or beneficial interest. The Revenue Ruling stated:

Because the owner of an undivided fractional interest of a trust is considered to own the trust assets attributable to that interest for federal income tax purposes, *B* and *C* are each considered to own an undivided fractional interest in Blackacre for federal income tax purposes. See Rev. Rul. 85-13.

Accordingly, the exchange of real property by *B* and *C* for an interest in *DST* through a qualified intermediary is the exchange of real property for an interest in Blackacre, and not the exchange of real property for a certificate of trust or beneficial interest under § 1031(a)(2)(E).

Consequently, provided a Holder meets the other requirements of Code Section 1031, such Holder’s exchange of real property in exchange for the Interests in the Trust should not be considered an exchange for a certificate of trust or beneficial interest for purposes of Code Section 1031.

Rent Accrual Under the Master Lease. Code Section 467 provides that the lessor under a Code Section 467 rental agreement must include in such lessor’s income the amount of rent which accrues during the taxable year. Generally, such rent will be accrued as set forth in the lease agreement between the lessor and lessee. Thus, the Trust would accrue income from rent as set forth in the Master Lease. In the event that a lease arrangement is determined to be a tax avoidance transaction requiring treatment as a disqualified leaseback under Code Section 467, rent will be accrued on a constant accrual basis rather than accruing as set forth in the lease agreement. In determining whether a lease arrangement is a tax avoidance transaction, the IRS has established certain safe harbor tests. If a safe harbor test is met, rent is not accrued under the constant accrual basis. The Master Lease is intended to satisfy a safe harbor test. However, if the IRS makes a determination that the safe harbor is not met, that the lease arrangement is a disqualified leaseback and provides notice of such determination, the Trust will be required to accrue rent on a constant accrual basis. The IRS has not made such a determination nor provided notice with respect to the Master Lease.

Taxable Boot. Amounts used to establish reserves or other items that are not attributable to the purchase of real estate will not be treated as an interest in real estate and will be treated as “boot” which may be taxable to a Holder acquiring its Interest as replacement property for real property in an exchange under Code Section 1031. The reserves of the Trust are approximately \$158.72 per Interest. Of this amount \$141.67 is attributable to reserves funded by the Depositor, and will be treated as “boot” which may be taxable. In addition, \$17.05 is attributable to reserves funded from Loan proceeds as a requirement of the Loan. It is possible that such amount, if sufficient additional Loan funds are allocated to the Holders in excess of the indebtedness of a Holder’s prior investment, may not be treated as “boot.” Further, the IRS could take the position that the increase in the purchase price of the Interests paid by the Holders, which includes loan fees and costs, over the cost to the Depositor would not be considered as an interest in real estate and may be treated as “boot” which may be taxable. In addition, to the extent that the portion of the debt allocated with the purchase of an Interest is less than the Holder’s debt on the property exchanged, such difference will constitute “boot” and may be taxable depending on the Holder’s basis in the property exchanged. The TCJA eliminated the ability to enter into like-kind exchanges under Code Section 1031 for any asset other than real estate. Consequently, Code Section 1031 will not apply, and such amounts will be treated as “boot,” to the extent a Holder is disposing of property that does not qualify as real estate or to the extent the Project consists of property other than real estate. The Trust acquired certain personal property in connection with the purchase of the Project. The Trust Manager has not valued such personal property. In the event any item is determined to be “boot,” the taxpayer will have current income

for any such “boot” up to the amount of gain on the exchange of the real property. No opinion of counsel is being provided with respect to the amount of taxable “boot” in the transaction.

Identification of Property. The Treasury Regulations require a purchaser of property who is participating in a Code Section 1031 exchange to identify the replacement property. There are several alternate methods under which one may identify replacement property. Each prospective Holder should consult with its own tax consultant regarding how to identify replacement property.

Property Qualifying Under Code Section 1031. The Trust may sell the Project after an initial holding period of 2 years. Counsel has not rendered an opinion as to whether the Trust will hold the Project for investment or primarily for sale. In the event the Project is considered as held primarily for sale, the Project will not qualify as replacement property under Code Section 1031.

Transfer Distribution. If a Transfer Distribution occurs, the Project will be transferred (or the Trust will be converted) to the Springing LLC and the interests in the Springing LLC will be distributed to the Holders. The Springing LLC should be treated as a partnership for federal income tax purposes. Under current law, a Transfer Distribution should not be subject to federal income tax pursuant to Code Section 721. A Transfer Distribution could be subject, however, to state or local income, transfer or other taxes. In addition, there can be no assurances that a Transfer Distribution will not be taxable under the federal income or other tax laws in effect at the time the Transfer Distribution occurs. Because a Transfer Distribution could occur in several situations, it is not possible to determine all of the tax consequences to the Holders in the event of a Transfer Distribution.

Summary. Based on the foregoing discussion and counsel’s review of the transaction documents, counsel believes that (i) after the effective date of the Conversion Notice, the Trust should be treated as an investment trust described in Treasury Regulations Section 301.7701-4(c)(1), that is classified as a “trust” for federal income tax purposes and (ii) the Holders should be treated as owning an undivided beneficial interest in the Trust’s assets, including the Project, in proportion to their Interests for purposes of Code Section 1031. However, although the Trust Manager has attempted to structure the transaction such that an Interest is treated as an undivided interest in real estate, there can be no assurance or guaranty that such classification will be respected by the IRS. The IRS could take the position that the increase in the purchase price does not represent real property.

Certain Tax Consequences Regarding Ownership of an Interest

20% QBI Deduction. The TCJA introduced a new deduction for noncorporate taxpayers generally equal to 20% of the taxpayer’s domestic “qualified business income” derived from carrying on qualified businesses through partnerships, S corporations and sole proprietorships. The new deduction (the “20% QBI Deduction”) will have the effect (subject to various limitations) of reducing the maximum Federal income tax rate on qualified business income from 37% to 29.6%. The deduction expires for tax years beginning after December 31, 2025. Qualified business income does not include items relating to investment activities, such as capital gains, dividends and interest income (other than interest income earned in a trade or business). The 20% QBI Deduction is subject to various limitations based on, among other things, (i) wages paid with respect to each qualified trade or business, (ii) the unadjusted basis of depreciable property used in each qualified trade or business and (iii) the taxable income of the taxpayer (determined without regard to the deduction).

The IRS recently issued final Treasury Regulations interpreting the 20% QBI Deduction that, among other things, clarify that (i) each beneficiary of a grantor trust, like the Trust, will be treated as if the beneficiary directly carried on the activities of trust, to the extent of the portion of the trust treated as owned by the beneficiary, and (ii) the deduction is only available for income that a taxpayer derives from carrying on a trade or business. The final regulations do not attempt to define what is a trade or business, but instead incorporate the standard for deducting ordinary and necessary expenses paid or incurred in carrying on a trade or business under Code Section 162. Because the application of this standard to rental real estate activities is unclear, the IRS also proposed issuing a safe harbor under which a rental real estate enterprise may be treated as a trade or business solely for purposes of the 20% QBI Deduction; however, property leased under a triple net lease is expressly not eligible for the proposed safe harbor. The activities of the Trust will be limited to leasing the Project to the Master Tenant under the Master Lease. It is not clear whether the Master Lease will be considered a triple net lease for federal income tax purposes. Although the Trust may not qualify under the safe harbor described above, it is possible that the Holders will still qualify for the

20% QBI Deduction. Holders should contact their own tax advisors regarding qualification for the 20% QBI Deduction.

Limitation on Deductibility of Business Interest. The TCJA imposes a new limitation on the deductibility of interest incurred in carrying on a trade or business. Under the TCJA, the maximum deduction for business interest in any year is limited to the sum of (i) business interest income and (ii) 30% of adjusted taxable income. Adjusted taxable income is taxable income excluding (1) items not attributable to carrying on a trade or business, (2) business interest income and deductions, (3) the 20% deduction for qualified business income, (4) net operating losses and (5) for tax years beginning before January 1, 2022, depreciation, amortization and depletion. Any disallowed interest may be carried forward indefinitely.

Certain businesses are excluded from the new limitation, including (i) a business having average annual gross receipts for the 3-taxable-year period ending with the prior taxable year that do not exceed \$25 million (i.e., the gross receipts test of Code Section 448(c) as liberalized/increased by the TCJA) and (ii) a real property trade or business that irrevocably elects to be excluded. A real property trade or business is defined as “any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing or brokerage trade or business.” The TCJA requires a real property trade or business that elects to be excluded from the business interest limitation to depreciate its nonresidential real property, residential rental property and qualified improvement property (described above) under the alternative depreciation system of Code Section 168(g) (as modified by the TCJA). Each Holder will be required to make a determination as to whether or not an election should be made with respect to such Holder’s ownership of Interests.

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

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

In the case of rental real estate activities in which an individual actively participates, up to \$25,000 of losses (and credits in a deduction-equivalent sense) from all such activities are allowed each year against portfolio income and salary and active business income of the taxpayer. Except as provided below with respect to “real estate professionals,” Holders will not, in all likelihood, be actively participating in the Project’s rental real estate activities and, therefore, will not be able to deduct any loss against their portfolio or active business income. In addition, the \$25,000 allowable loss is subject to a phase-out for any individual whose adjusted gross income is more than \$100,000. An individual whose gross adjustable income is greater than \$150,000 will not be permitted to use any of the off-set.

Certain taxpayers (“real estate professionals”) can deduct losses and credits from rental real estate activities against other income, such as salaries, interest, dividends, etc. A taxpayer qualifies for this exception to the passive loss rules described above if: (i) more than half of the personal services performed by the taxpayer in trades or businesses during a year are performed in real property trades or businesses in which the taxpayer materially participates and (ii) the taxpayer performs more than 750 hours of services during the year in real property trades or businesses in which the taxpayer materially participates. In the case of a joint return, 1 spouse must satisfy both requirements. A real property trade or business is any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing or brokerage trade or business. In determining whether a taxpayer performs more than half of its personal services in real property trades or businesses, services performed as an employee are disregarded unless the employee owns more than 5% of the employer.

At-Risk Rules. A Holder that is an individual or closely held corporation will be unable to deduct its share of loss from the Project, if any, to the extent such loss exceeds the amount such Holder has “at risk.” A Holder’s initial amount at risk will equal the purchase price of an Interest. In addition, a Holder can generally include in the amount at risk such Holder’s share of qualified nonrecourse financing. It is anticipated that the Loan will be considered qualified nonrecourse financing and therefore will qualify as “at risk.”

A Holder’s amount at risk will be reduced by the amount of any cash flow to such Holder and the amount of the Holder’s loss, and will be increased by the amount of the Holder’s income. Loss not allowed under the at-risk rules may be carried forward to subsequent taxable years and used when the amount at risk increases.

Excess Business Loss Limitation. Code Section 461(l), introduced by the TCJA, is a new limitation on the ability of noncorporate taxpayers to deduct “excess business losses,” which generally are losses from carrying on trade or business activities in excess of a specified amount (\$500,000 in the case of married individuals filing jointly). This limitation applies only after the passive loss limitations (so only affects an individual’s “active” losses) and, in the case of a trade or business carried on by a partnership or S corporation, is applied at the partner or S corporation shareholder level. The excess business loss limitation may, in addition to passive activity loss, at-risk and basis limitations, limit the ability of the Holders to utilize net losses allocated to them from the Trust.

Originally, the excess business loss limitation applied to tax years beginning after December 31, 2017 (for 2018 calendar year taxpayers). The CARES Act retroactively changed the effective date to tax years beginning after December 31, 2020 (for 2021 calendar year taxpayers).

Net Income and Loss of Each Holder. Each Holder will be required to determine its own net income or loss from the Project for income tax purposes. Each Holder will be required to pay its share of expenses of the Project and be entitled to its share of income. Certain expenses of the Project, such as depreciation, will be different for different Holders. The Trust will keep records and provide information regarding expenses and income for the Project. A Holder, however, will be required to keep separate records in order to separately report its income.

Income in Excess of Cash Receipts. It is possible that a Holder’s income from the Project may exceed the Holder’s cash flow from the Project and such Holder’s tax liability on that income may even exceed the cash flow. This may occur as a result of the payments of capital expenditures, payments of loan principal or funding of reserves or during a cash sweep event under the Loan.

Treatment of Gain or Loss on Disposition of Interests. Any gain or loss realized by a Holder upon the sale or exchange of an Interest will generally be treated as capital gain or loss, provided that such Holder is not deemed to be a “dealer.” As a general rule, the holding of parcels of real property for investment is not the type of activity that would cause a person or entity to be considered a “dealer” in real property. The question of “dealer” status is a question of fact, which will depend on the facts and circumstances of the transaction and will be determined at the time of a sale of the Project. If the Holder is deemed a “dealer” and the Project is not considered to be a capital asset or a Code Section 1231 asset, any gain or loss on the sale or other disposition of the Project would be treated as ordinary income or loss. In general, if an Interest constitutes a capital asset in the hands of a Holder, any profit or loss realized by a Holder on its sale or exchange (except to the extent that such profit represents depreciation recapture taxable as ordinary income) will be treated as capital gain or loss under the Code. Capital gain that is equal to or less than past depreciation (other than ordinary income recapture) taken on the Project will be taxed to individuals at 25%. Any additional capital gain attributable to property held more than 12 months will generally be taxed to individuals at up to 20%.

In determining the amount realized on the sale or exchange of an Interest, a Holder must include, among other things, its share of indebtedness on the Project assumed by such Holder. Therefore, it is possible that the gain realized on a Holder’s sale of an Interest may exceed the cash proceeds of the sale, and, in some cases, the income taxes payable with respect to the gain realized on the sale may exceed such cash proceeds. If assets sold or involuntarily converted constitute Code Section 1231 assets, a Holder would combine its gain or loss attributable to the Project with any other Code Section 1231 gains or losses realized by such Holder in that year, and the resultant net Code Section 1231 gains or losses would be taxed as capital gains or constitute ordinary losses, as the case may be. This treatment may be altered depending on each Holder’s disposition of Code Section 1231 property over several years. In general, net Code Section 1231 gains are recaptured as ordinary income to the extent of net Code Section 1231 losses in the 5 preceding taxable years.

Foreclosure. In the event of a foreclosure of a mortgage or deed of trust on the Project, a Holder would realize gain, if any, in an amount equal to the excess of the Holder's share of the outstanding mortgage over the Holder's adjusted tax basis in the Project, even though the Holder might realize an economic loss upon such a foreclosure. In addition, a Holder could be required to pay income taxes with respect to such gain even though the Holder receives no cash distributions as a result of such foreclosure.

Tax Elections. The Trust has tried to structure the Interests so that the Holders will be treated as owning an undivided interest in the Project. As a result, the Holders will be required to make any applicable tax elections. However, if the Holders were treated as a partnership, applicable elections would have to be made by that entity.

Method of Accounting. Each Holder will be required to report its income under such Holder's applicable accounting method.

Deductibility of Interest. Interest will accrue and be payable on the Loan for the Project. The deduction of such interest is limited by the rules limiting the deductibility of passive losses. See "Limitations on Losses and Credits from Passive Activities" and "Limitation on Deductibility of Business Interest" above.

Depreciation and Cost Recovery. Current federal income tax law permits an owner of improved real property to take depreciation deductions based on the entire cost of the depreciable improvements, even though such improvements are financed in part with borrowed funds. If, however, the purchase price of an Interest and the Holder's share of nonrecourse liabilities to which the Project is subject are in excess of the fair market value of the Interest, a Holder will not be entitled to take depreciation deductions to the extent the basis in the Interest is derived from nonrecourse liability. Each Holder will have to compute its own depreciation. Residential real estate can generally be depreciated on a straight-line method, over 27.5 years using the mid-month convention. Under the mid-month convention, property is treated as placed in service during the mid-point of the month.

Depreciation deductions can only be claimed for that portion of real property that is depreciable. Because land is not depreciable, an allocation must be made between the value of improvements on real estate and the underlying land. The allocation of the purchase price between depreciable and nondepreciable items is a question of fact, and if the amount allocated by the Trust to depreciable items is decreased and the amount allocated to nondepreciable items such as land is increased, Trust losses for federal income tax purposes will be decreased.

The TCJA generally left intact the modified accelerated cost recovery system ("MACRS") recovery periods for residential rental property, which remains at 27.5 years.

If a Holder elects with respect to a real estate trade or business to be excluded from the Section 163(j) limitation on deductibility of business interest, the Holder will be required to depreciate all of its depreciable property used in such real estate trade or business under the "alternative depreciation system" rules found in Code Section 168(g) ("ADS"), rather than the more favorable MACRS rules. The ADS life for residential real estate is 30 years. The use of ADS would have the effect of spreading out depreciation deductions over a longer period of time (thereby decreasing the amount of losses or increasing the amount of income of the Holders).

Any purchaser that is acquiring Interests in connection with a Code Section 1031 exchange will have a carry-over basis in the Interests. Thus, the amount of depreciation deductions available to such purchaser may be limited by the basis in the property sold by such purchaser as part of the deferred exchange.

Payments to the Depositor, the Trust Manager and Their Affiliates. The Depositor, the Trust Manager and their Affiliates will receive various fees described elsewhere in this Memorandum. The tax treatment of these fees is set forth below.

Although each Holder is purchasing an Interest, it is possible the IRS may take the view that an increase in the price of an Interest over the cost to the Depositor for the Trust Estate is not to be treated as a sale of real estate, but instead as a nondeductible capitalized item.

Real estate brokerage commissions (whether or not paid to Affiliates of the Trust Manager) paid upon the acquisition of the Project will be treated as capitalized expenditures and added to the basis of the Project. Real estate brokerage commissions (whether or not paid to Affiliates of the Trust Manager) paid upon the sale, exchange or other disposition of the Project will be treated as an adjustment to the sales price.

Management Fees. The management fees paid to the Trust Manager should be deductible as ordinary and necessary business expenses to the extent that the fees represent ordinary and necessary expenses and do not exceed the reasonable value of the services for which they are paid. Because the determination of whether these fees qualify as ordinary and necessary business expenses is inherently factual, there is no assurance that this determination may not be challenged by the IRS or that this determination would be upheld if challenged by the IRS.

Investments by Tax-Exempt Entities - Unrelated Business Taxable Income

Tax-exempt entities (“Tax-Exempt Entities”), although generally exempt from federal income taxation, nevertheless are subject to tax to the extent that their UBTI exceeds \$1,000 during any tax year. Generally, income from property that is “debt financed property” will result in UBTI. Debt financed property is generally defined to mean any property as to which there is “acquisition indebtedness.” The Trust will generate UBTI as a result of debt financing. Counsel has expressed no opinion on whether, or to what extent, Trust income will be considered UBTI.

If the receipt of UBTI from the Trust will have an adverse impact on a Holder, such Holder should consult its own tax advisor before investing in the Trust. If a Tax-Exempt Entity’s share of the UBTI from the Trust and other investments exceeds \$1,000 during any tax year, the Tax-Exempt Entity will be required to pay taxes on such UBTI. Whether a Tax-Exempt Entity’s UBTI will exceed this \$1,000 exclusion in any year will depend upon whether or to what extent the Trust qualifies for the exception, the actual operations of the Trust, the size of the Tax-Exempt Entity’s investment in the Trust, the taxable income of the Trust and the amount of such Tax-Exempt Entity’s UBTI from other investments. An allocable portion of the Holder’s income directly associated with debt financed property reduced by an allocable portion of deductions (computing depreciation on a straight-line basis) directly associated with such debt financed property will be treated as UBTI. The allocable portion of income and deductions will be equal to the ratio of indebtedness on such properties outstanding from time to time to the basis in such properties as adjusted from time to time. When a Tax-Exempt Entity disposes of a debt financed property, a Tax-Exempt Entity will be required to recognize an allocable portion of the gain as UBTI based on the ratio between the indebtedness as of the date of sale and the basis of such property.

The portion of the income that is not deemed to be UBTI will continue to be exempt for a Tax-Exempt Entity even if a portion of the Trust’s income is deemed to be UBTI. For further details on the application of UBTI, Tax-Exempt Entity investors are urged to consult their tax advisors.

For certain other tax-exempt entities, such as charitable remainder trusts and charitable remainder unitrusts (as defined in Code Section 664), the receipt of any UBTI may have extremely adverse tax consequences. For example, if such a trust or unitrust received any UBTI during a taxable year, a tax equal to 100% of such UBTI will be imposed. Charitable remainder trusts and charitable remainder unitrusts should consult their own tax advisors before the purchase of any Interests.

Pursuant to the TCJA, a tax-exempt organization will not be able to use UBTI losses from one trade or business to offset UBTI from a different trade or business.

Alternative Minimum Tax

Taxpayers may be subject to the alternative minimum tax in addition to the regular income tax. The alternative minimum tax applies to designated items of tax preference. The TCJA entirely eliminates the alternative minimum tax for regular C corporations. For noncorporate taxpayers, the TCJA increases the exemption amount and the threshold amount of income at which the exemption begins to phase out. The limitations and thresholds related to the payment of the alternative minimum tax are subject to change on an annual basis. Holders should consult with their tax advisors regarding the alternative minimum tax thresholds to determine if it will apply to such Holder’s investment in Interests. The limitations on the deduction of passive losses also apply for purposes of computing alternative minimum taxable income.

For more information concerning tax preferences and the alternative minimum tax, prospective Holders should consult their own tax advisors.

Accuracy-Related Penalties and Interest

All penalties relating to the accuracy of tax returns are now consolidated into a single accuracy-related penalty equal to 20% of the portion of the underpayment to which the penalty applies. The penalty applies to any portion of any understatement that is attributable to: (i) negligence or disregard of rules or regulations, (ii) any substantial understatement of income tax or (iii) any substantial valuation misstatement.

Negligence is generally any failure to make a reasonable attempt to comply with the provisions of the Code and the term “disregard” includes careless, reckless or intentional disregard. Counsel for the Trust is rendering an opinion with respect to the treatment of Interests as interests in real estate for income tax purposes. However, the opinion is not intended to be used by any taxpayer to avoid penalties, and may not be relied upon by the Holders of Interests to avoid penalties. This opinion is not applicable to any individual tax consequences of a Holder or the individual application of the Code Section 1031 rules to such Holder and each Holder should consult with its own independent tax advisor.

A substantial understatement of income tax generally occurs if the amount of the understatement for the taxable year exceeds the greater of (i) 10% of the tax required to be shown on the return for the taxable year or (ii) \$5,000. In the case of a C corporation, a substantial understatement of income tax generally occurs if the amount of the understatement for the taxable year exceeds the lesser of (i) 10% of the tax required to be shown on the return for the taxable year (or if greater, \$10,000) or (ii) \$10,000,000.

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

Except with respect to “tax shelters,” an accuracy-related penalty will not be imposed on an underpayment attributable to negligence, a substantial understatement of income tax or a substantial valuation misstatement if it is shown that there was a reasonable cause for the underpayment and that the taxpayer acted in good faith.

In addition to the penalties described above, a new penalty has recently been added with respect to understatements resulting from listed or reportable transactions. A reportable transaction is a transaction that the IRS has identified as having the potential for tax avoidance or evasion. A listed transaction is a reportable transaction which the IRS has specifically identified as a tax avoidance transaction. The penalty is equal to 20% of the portion of the underpayment to which the penalty applies if the taxpayer disclosed the understatement and 30% of the portion of the underpayment to which the penalty applies if the taxpayer did not disclose the understatement. A taxpayer may avoid the payment of the penalty if (i) there was reasonable cause for the understatement and the taxpayer acted in good faith, (ii) the relevant facts affecting the taxpayer’s tax treatment were adequately disclosed, (iii) there is, or was, substantial authority for the taxpayer’s treatment of the item and (iv) the taxpayer reasonably believed that the treatment of the items on the return was more likely than not proper. A taxpayer may not rely on the opinion from a disqualified tax advisor. A disqualified tax advisor includes a (i) material advisor who participates in the organization, management, promotion or sale of the transaction or is related to any person who so participates, (ii) is compensated directly or indirectly by a material advisor with respect to the transaction, (iii) has a fee arrangement with respect to the transaction that is contingent on intended tax benefits being sustained or (iv) has a disqualifying financial interest with respect to the transaction. In the event the Interests are determined to be a reportable transaction, and the taxpayer fails to include information regarding such reportable transaction, the taxpayer will be subject to a maximum penalty in the amount of \$10,000 if the taxpayer is an individual and \$50,000 in any other case. In the event the Interests are determined to be a listed transaction, the maximum penalty increases to \$100,000 in the case of an individual and \$200,000 in any other case.

The tax opinion issued to the Trust with respect to the Interests was prepared by a disqualified tax advisor. As a result, the Holders may not rely on such opinion to avoid the payment of penalties.

Accrual Method Taxpayers Required to Match Income Recognition to Accounting Treatment. The TCJA adds a new provision that will require an accrual method taxpayer subject to the all events test for an item of gross income to recognize that income no later than the taxable year in which the income is taken into account as revenue in an applicable financial statement. Generally, an applicable financial statement is a financial statement of the taxpayer that is certified as being prepared in accordance with GAAP and is (i) included in a Form 10-K filed with

the SEC or (ii) an audited financial statement used for a substantial nontax purpose, such as credit purposes or reporting to shareholders, partners, other proprietors or beneficiaries. The IRS Proposed Treasury Regulations on September 9, 2019, which proposed changes to the definition of applicable financial statement and provided guidance with respect to the application of this provision. Prospective Investors that are accrual basis taxpayers should review the Proposed Treasury Regulations prior to an investment in Interests.

3.8% Net Investment Income Tax

Under the Health Care and Education Reconciliation Act of 2010, for each tax year beginning after December 31, 2012, a taxpayer who is an individual will be assessed an additional tax equal to 3.8% of the lesser of: (i) the taxpayer's "net investment income" for the taxable year or (ii) the excess of (x) the taxpayer's modified adjusted gross income for the taxable year over (y) (a) for a taxpayer filing jointly with a spouse (or for a surviving spouse), \$250,000, (b) for married taxpayer filing a separate return, \$125,000 or (c) in any other case, \$200,000. For purposes of the additional tax, "net investment income" includes, among other things: (i) net income in the form of interest, dividends, annuities, royalties and rents that do not arise in the ordinary course of a trade or business (but including net income from a trade or business that is a passive activity with respect to the taxpayer or a trade or business of trading in financial instruments or commodities) and (ii) net gains (to the extent taken into account in computing taxable income) on the disposition of property other than property held in a trade or business (but including net gains realized on the disposition of property held in a trade or business that is a passive activity with respect to the taxpayer or a trade or business of trading in financial instruments or commodities).

State and Local Taxes

In addition to the federal income tax consequences described above, prospective Holders should consider the state tax consequences of an investment in an Interest. A Holder's share of income or loss generally will be required to be included in determining the Holder's reportable income for state and local tax purposes. The Project is located in Oklahoma. Each Holder that is not currently filing an income tax return in Oklahoma must now file an income tax return in Oklahoma with respect to such Holder's income or loss from the Project and pay tax on its respective state income, if any. The Oklahoma individual income tax rate has 6 income tax brackets based on the income earned starting at 0.25% and with a maximum of 4.75% for the tax years beginning January 1, 2022. Oklahoma imposes a flat income tax on corporations of 4% on Oklahoma taxable income for the tax years beginning January 1, 2022 and a franchise tax of \$1.25 for each \$1,000 of capital invested or otherwise used in Oklahoma up to a maximum of \$20,000. It is uncertain whether the Trust will be required to pay such franchise tax. The Projections assume that the franchise tax will be payable by the Trust.

This Memorandum does not analyze or discuss state or local tax consequences to the Holders. Each prospective Holder should consult its own tax advisor regarding the tax consequences of the purchase of an Interest in both the state where they reside and where the Project is located.

Limitation on Deduction for State and Local Taxes. The TCJA limits the itemized deductions of individuals for state and local taxes to \$10,000 of income taxes, sales taxes in lieu of income tax and property taxes. The new \$10,000 limitation does not apply to property taxes that are incurred in carrying on a trade or business or an activity for the production of income.

It is anticipated that state and local income taxes incurred by the Holders as a result of an acquisition of an Interest will be subject to the new limitation.

Prospective Holders should note that a number of issues discussed in this Memorandum have not been definitively resolved by statutes, regulations, rulings or judicial opinions. Accordingly, no assurances can be given that the conclusions expressed herein will be accepted by the IRS, or, if contested, would be sustained by a court, or that legislative changes or administrative pronouncements or court decisions may not be forthcoming that would significantly alter or modify the conclusions expressed herein. Prospective Holders are urged to consult their own tax counsel regarding the tax consequences of an investment in an Interest.

REPORTS

The Trust Manager will keep proper and complete records and books of account for the Trust and the Holders. These books and records will be kept at the Trust Manager's principal place of business. Each Holder will at all times, during normal business hours, have the right to inspect, examine and copy from them; provided, however, no Holder will have access to the name, address or investment information of any other Holder. The Trust Manager will also have prepared and transmitted to the Holders an annual report setting forth the applied income and expenses attributable to an Interest.

LITIGATION

There are no legal actions pending against the Trust nor, to the knowledge of the Trust, are any such actions contemplated that would have a material effect on the Trust's business, financial condition or operations.

LEGAL OPINION

DLA Piper LLP (US), rendered a tax opinion to the Trust with respect to certain issues set forth in this Memorandum. Except as to matters stated in the opinion, which are based on the law in effect as of the date of the opinion, the issuance of the opinion should not in any way be construed as implying that counsel has approved or passed upon any other matter for the Trust. DLA Piper LLP (US) will be paid for providing such opinion.

ADDITIONAL INFORMATION

The Trust will answer inquiries about the Interests and other matters relating to the offer and sale of the Interests, and the Trust will afford prospective Holders the opportunity to obtain any additional information that is necessary to verify the information in this Memorandum to the extent the Trust possesses such information or can acquire such information without unreasonable effort or expense.

Prospective Holders are entitled to review copies of other material contracts relating to the Interests described in this Memorandum and copies of the Trust's organizational documents.

EXHIBIT A

PURCHASER QUESTIONNAIRE

**CLASS A BENEFICIAL INTERESTS IN
THE MAYWOOD APARTMENTS
PURCHASER QUESTIONNAIRE**

Please read carefully the Confidential Private Placement Memorandum for Class A Beneficial Interests (the “Interests”) in The Maywood Apartments dated February 1, 2022 (the “Memorandum”), and all Exhibits and supplements thereto before deciding to subscribe.

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

This private offering (the “Offering”) of the Interests in The Maywood Apartments, a Delaware statutory trust (the “Trust”), is limited to a purchaser who certifies that he/she is an Accredited Investor (“Accredited Investor,” as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, the “Securities Act”) and meets all of the qualifications set forth in the Memorandum. If you meet these qualifications and desire to purchase an Interest, then please complete, execute and deliver this Purchaser Questionnaire (the “Purchaser Questionnaire”) to:

CP Maywood Apartments Manager, LLC
1600 Dove Street, Suite 450
Newport Beach, California 92660

You must complete, sign and return the original of (i) this completed Purchaser Questionnaire bearing your signature, which includes your certification of your investor qualification, (ii) one original copy of your Purchase Agreement (the “Purchase Agreement”) and (iii) a signature page to the Amended and Restated Trust Agreement of The Maywood Apartments (the “Trust Agreement”); provided, however, that your subscription may be accepted or rejected by the Trust at any time within 30 days after delivery to the Trust of this Purchaser Questionnaire and the other documents described above. The total purchase price for the Interests (the “Purchase Price”) shall be payable at the times set forth in the Purchase Agreement.

If applicable, you will need to instruct your 1031 exchange qualified intermediary/accommodator (the “Accommodator”) to wire the amount of your Purchase Price to the Trust (instructions will be provided). The purchaser of the Interests is referred to herein as the “Purchaser.”

Important Note: The person or entity actually making the decision to purchase an Interest should complete and execute this Purchaser Questionnaire, the Purchase Agreement and the other documents listed above. For example, retirement plans often hold certain securities purchases in trust for their beneficiaries, but the beneficiaries may maintain control and discretion over the securities. In such a situation, the beneficiary with control must complete and execute the Purchase Agreement, this Purchaser Questionnaire and the other agreements listed above (this also applies to trusts, custodial accounts and similar arrangements).

**CLASS A BENEFICIAL INTERESTS IN
THE MAYWOOD APARTMENTS
PURCHASER QUESTIONNAIRE**

As further consideration to induce the Trust to accept the Purchase Agreement, I hereby make the following acknowledgments, representations and warranties with the full knowledge that the Trust will expressly rely on the following in making a decision to accept or reject the Purchase Agreement:

1. **General Information.**

Name of Purchaser: _____
(The name of the Purchaser must match the relinquished property owner if this is a 1031 exchange)

Amount of Equity to be Invested: \$ _____

This represents a ____% Interest

(Minimum Purchase Amount for an all cash Purchaser is \$25,000)

(Minimum Purchase Amount for a Code Section 1031 Exchange Purchaser is \$100,000)

I will be paying the amount of the Purchase Price (check one):

Out of the 1031 Accommodator funds

Directly (or as additional funds contributed in connection with a Code Section 1031 exchange)

I am conducting a 1031 tax-deferred exchange for this investment (check one): Yes No

If Yes, I closed on my relinquished property or will close on: _____

My 45 Day Deadline: _____

My 180 Day Deadline: _____

My Primary State of Residence (or if entity, state of primary business): _____

2. **Vesting Information.**

Ownership of the Interests is to be vested as follows (*please indicate by marking the appropriate box and print names exactly as you would like title to be vested*):

INDIVIDUALS

Name: _____

Social Security No.: _____ Date of Birth: _____

Name of Spouse or Co-investor: _____

Social Security No.: _____ Date of Birth: _____

Please check one:

- A Single Man / Woman Husband and Wife, as community property
- Joint Tenants JTWROS (Joint Tenants with Right of Survivorship)
- A Married Man / Woman, as His / Her sole and separate property
- Tenants in Common Other: _____

GRANTOR TRUST OR REVOCABLE TRUST

Please enclose a COMPLETE copy of the trust documents, as amended to date.

Name of Trust: _____

Date of Trust: _____ Trust Tax ID Number (if applicable): _____

State of Trust Formation: _____

Trustee Name: _____

Date of Birth: _____ SSN: _____

Trustee Name: _____

Date of Birth: _____ SSN: _____

BUSINESS TRUST OR IRREVOCABLE TRUST

Please enclose a **COMPLETE** copy of the trust documents, as amended to date.

Name of Trust: _____

Date of Trust: _____ Trust Tax ID Number: _____

State of Trust Formation: _____

Individual Trustee

Trustee Name: _____

Date of Birth: _____ SSN: _____

Trustee Name: _____

Date of Birth: _____ SSN: _____

Entity Trustee

Trustee Name: _____

Trustee Signatory Name: _____

Signatory Title: _____

Signatory Date of Birth: _____ Entity Tax ID Number: _____

Trustee Name: _____

Trustee Signatory Name: _____

Signatory Title: _____

Signatory Date of Birth: _____ Entity Tax ID Number: _____

CORPORATION

Please enclose a **COMPLETE** copy of (i) the Articles of Incorporation, as amended to date, (ii) the Bylaws, as amended to date, (iii) a list of all shareholders of the corporation and (iv) the resolutions of the Board of Directors authorizing the purchase of the Interests and providing authority to execute documents on behalf of the corporation.

Name of Corporation: _____

Corporate Tax ID Number: _____ State of Corporate Formation: _____

Name of Signatory: _____

Title: President Vice President Secretary Other _____

Signatory Date of Birth: _____

Name of Signatory: _____

Title: President Vice President Secretary Other _____

Signatory Date of Birth: _____

PARTNERSHIP

Please enclose a **COMPLETE** copy of (i) the partnership agreement, as amended to date, (ii) a list of all partners (both general and limited) and (iii) the resolutions of the partnership authorizing the purchase of the Interests and providing authority to execute documents on behalf of the partnership.

Name of Partnership: _____

Partnership Tax ID Number: _____ State of Partnership Formation: _____

Individual General Partner

Name: _____ Title: General Partner

Date of Birth: _____

Name: _____ Title: General Partner

Date of Birth: _____

Entity General Partner

Name of Entity: _____ Title: General Partner

Signatory Name: _____

Signatory Title: _____

Signatory Date of Birth: _____

Name of Entity: _____ Title: General Partner

Signatory Name: _____

Signatory Title: _____

Signatory Date of Birth: _____

LIMITED LIABILITY COMPANY

Please enclose a **COMPLETE** copy of (i) the operating agreement, as amended to date, (ii) the certificate of formation, as amended to date, (iii) a current and complete list of all members and managers and (iv) the resolutions of the members and/or managers authorizing the purchase of the Interests and providing authority to execute documents on behalf of the company.

Name of LLC: _____

LLC Tax ID Number: _____ State of LLC Formation: _____

Individual Manager/Member

Name: _____

Title: Manager Managing Member Member Other _____

Date of Birth: _____

Name: _____

Title: Manager Managing Member Member Other _____

Date of Birth: _____

Entity Manager/Member

Name of Entity: _____

Title: Manager Managing Member Member Other _____

Signatory Name: _____

Signatory Title: _____

Signatory Date of Birth: _____

Name of Entity: _____

Title: Manager Managing Member Member Other _____

Signatory Name: _____

Signatory Title: _____

Signatory Date of Birth: _____

3. **Contact Information/Distributions.**

Please send all correspondence to (check one): Home Address Business/Other Address
(At least one street address (i.e. no P.O. Box) is required to send documents via overnight delivery)

Home Address:

Name: _____

Address: _____

City / State / Zip: _____

Phone: Home: (____) _____

Cell Phone: (____) _____

Facsimile: (____) _____

Email Address: _____

Business/Other Address (if applicable):

Name: _____

Company: _____

Address: _____

City / State / Zip: _____

Phone: Business: (____) _____

Facsimile: (____) _____

Email Address: _____

Attorney's or CPA's Contact Information:

Name: _____

Firm: _____

Address: _____

City / State / Zip: _____

Phone: Business: (____) _____

Cell Phone: (____) _____

Facsimile: (____) _____

Email Address: _____

Distributions

- Direct Deposit.** My distributions should be directly deposited into my bank account (attach voided check and complete financial institution information below).
- Check Mailed to Financial Institution.** My distributions should be sent to my financial institution listed below (complete financial institution information below).
- Check Mailed to Investor.** My distributions should be sent to the person or entity/address set forth in paragraph (3) above.

Financial Institution Information

Name of Financial Institution	<input type="text"/>
Mailing Address	<input type="text"/>
Account Type	<input type="text"/>
Account No.	<input type="text"/>
ABA Routing No.	<input type="text"/>
Account Name:	<input type="text"/>
Investor/Registration Name	<input type="text"/>
Property/Investment Name	<input type="text"/>

IMPORTANT NOTE: If you would like your tax documents sent electronically, please contact us at the following:

**The Maywood Apartments
c/o CORE Pacific Advisors, LLC
1600 Dove Street, Suite 450
Newport Beach, CA 92660
Attention: Investors Relations
Telephone: (949) 863-1031
Email: investorservices@CRHMI.com**

4. **Accredited Investor Certification and Tax Representation.**

Accredited Investor Certification: I hereby represent and warrant that:

If a Natural Person (including most revocable grantor trusts) (check as appropriate):

- That I have an individual net worth, or joint net worth with my spouse or spousal equivalent, of more than \$1,000,000 exclusive of the value of my primary residence.

(For purposes of determining net worth, exclude the value of your primary residence as well as the amount of indebtedness secured by your primary residence, up to the fair market value. Any amount in excess of the fair market value of your primary residence must be included as a liability. In the event the indebtedness on your primary residence was increased in the 60 days preceding the completion of this Purchaser Questionnaire, the amount of the increase must be included as a liability in the net worth calculation. For purpose of determining the joint “net worth” of natural persons, joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent; assets need not be held jointly to be included in the calculation. Reliance on the joint net worth standard described herein does not require that the securities be purchased jointly. For purposes of this definition, “spousal equivalent” means a cohabitant occupying a relationship generally equivalent to that of a spouse.)

- That I had an individual income of more than \$200,000, or joint income with my spouse or spousal equivalent in excess of \$300,000, in each of the 2 most recent years and I have a reasonable expectation of reaching the same income level in the current year.

- I hold, in good standing, 1 or more professional certifications or designations or credentials from an accredited educational institution that the SEC has designated as qualifying an individual for accredited investor status and which the SEC has posted as qualifying hereunder.

(For purposes of determining the above, as of the date of the Memorandum, the SEC has posted the following qualifying professional certifications: holders in good standing of FINRA Series 7, Series 65, and Series 82 licenses.)

If other than a Natural Person (check as appropriate):

- A corporation, an organization described in Internal Revenue Code of 1986, as amended (the “Code”) Section 501(c)(3), a Massachusetts or similar business trust, a partnership or a limited liability company, not formed for the specific purpose of acquiring Units, with total assets in excess of \$5,000,000.

- A trust, with total assets in excess of \$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 Interests.

- A broker-dealer registered pursuant to section 15 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

- An investment company registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”).

- An investment advisor relying on the exemption from registering with the SEC under section 203(l) or (m) of the Investment Company Act.
- An insurance company as defined in section 2(a)(13) of the Securities Act.
- An investment company registered under the Investment Company Act or a business development company (as defined in section 2(a)(48) of the Investment Company Act).
- 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.
- A private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”).
- A bank as defined in section 3(a)(2) of the Securities Act, or any savings and loan association or other institution defined in section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity.
- An entity in which all of the equity owners are Accredited Investors.
- A Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act.
- A “family office” as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act (a) with assets under management in excess of \$5,000,000, (b) that is not formed for the specific purpose of acquiring the securities offered and (c) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment.

(For purpose of determining “investments” above, investments is defined in rule 2a51-1(b) under the Investment Company Act.)

- A “family client” as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act, of a family office meeting the requirements above and whose prospective investment in the issuer is directed by such family office pursuant to (c) above.
- A grantor revocable trust where the grantors meet the qualifications under “Natural Persons” above.

Tax Representation: I have read the entire Memorandum, including the portion relating to federal income tax consequences, and I acknowledge that I (i) understand that the tax consequences of an investment in an Interest, especially the treatment of the transaction under Code Section 1031 and the related “1031 exchange” rules, are complex and vary with the facts and circumstances of each individual purchaser, (ii) understand and am aware that there are substantial uncertainties regarding the treatment of an Interest as real estate for income tax purposes, (iii) have read the entire Memorandum and fully understand that there is a significant risk that an Interest will not be treated as real estate for income tax purposes, (iv) have independently obtained advice from my legal counsel and/or accountant regarding any tax-deferred exchange under Code Section 1031, including, without limitation, whether the acquisition of an Interest may qualify as part of a tax-deferred exchange, (v) understand that the Trust will not obtain a ruling from the IRS that an Interest will be treated as an undivided interest in real estate for federal income tax purposes and (vi) understand that the opinion of counsel issued to the Trust is only counsel’s view of the anticipated tax treatment and that there is no guaranty that the IRS will agree with such opinion.

Escrow Representation: I acknowledge that the Escrow Bank is acting solely as a depository in connection with the Offering of the Interests and makes no recommendation or endorsement with respect to such Offering, and the Escrow Bank has made no investigation regarding the Offering, the Trust or its affiliates, the Project or any other person or entity related thereto.

Pennsylvania Resident Representation: By signing below, I acknowledge and understand (i) that I am prohibited from selling the Interests for a period of 12 months after the date of purchase, except in accordance with waivers established by rule or order of the Pennsylvania Securities Commission, (ii) that the Interests have not been registered under the Pennsylvania Securities Act of 1972 in reliance upon an exemption therefrom, and (iii) that no subsequent resale or other disposition of the Interests may be made within 12 months following their initial sale in the absence of an effective registration, except in accordance with waivers established by rule or order of the Pennsylvania Securities Commission, and thereafter only pursuant to an effective registration or exemption.

General Solicitation Representation: I acknowledge that the sale of the Interests has not been made through general solicitation and is in compliance with the requirements of Rule 506(b) of Regulation D.

5. **1031 Exchange Qualified Intermediary/Accommodator Information and Authorization.**

I/we, the undersigned, hereby provide the following information pertaining to my/our Qualified Intermediary/Accommodator for this acquisition. I/we request and authorize my/our Qualified Intermediary/Accommodator to furnish the Trust any information requested regarding my/our 1031 exchange.

The following Qualified Intermediary/Accommodator is authorized and instructed to fund all equity due to close the transaction prior to the scheduled closing date:

Name: _____

Company: _____

Address: _____

City / State / Zip: _____

Phone: Business: (_____) _____

Cell Phone: (_____) _____

Facsimile: (_____) _____

Email Address: _____

Is escrow closed (check one)? Yes No

6. **Release of Information to Registered Representative and Broker-Dealer.**

Approval of Release:

By signing below, I/we hereby authorize the Trust and its affiliates, as well as any master tenant, property manager or asset manager, to release the following information and related documentation to the registered representative named below and such registered representative's broker-dealer:

- Ongoing information related to the operation and performance of any assets held by the Trust.
- Tax reporting information related to my/our Interests.

The Trust and its affiliates, as well as any master tenant, property manager or asset manager, shall be authorized to release such information and documentation throughout the holding period of the Interests, which shall include the release of information regarding the eventual sale of my/our Interests.

Disapproval of Release:

If I/we have not checked any of the boxes above, the Trust, its affiliates, and any master tenant, property manager or asset manager, shall not be authorized to release any ongoing information to the registered representative named below or such registered representative's broker-dealer. I/we acknowledge that my/our registered representative and/or broker-dealer will receive all information regarding my/our initial purchase of the Interests.

Please note that you may revoke your authorization to release information to the registered representative by providing written notice of such revocation to the Trust.

Notwithstanding anything to the contrary contained herein, I/we acknowledge that all information regarding initial purchase of the Interests will be provided to my/our registered representative.

NOTE: Even if you elect to release financial information regarding your investment to your registered representative and broker-dealer, in no event will the names and contact information for other Holders be shared with any other Holder or with any registered representative or broker-dealer.

The undersigned hereby certifies that all of the information, representations, warranties and certifications set forth herein are true and correct in all respects.

Executed this ____ day of _____, 20__

If a Natural Person or Grantor Trust:

SIGNATURE: _____

Name (Print): _____

SIGNATURE (of spouse or second investor): _____

Name (Print): _____

If other than a Natural Person (i.e. LLC, Partnership, Corporation):

Name of Entity: _____

SIGNATURE: _____

Signatory Name (Print): _____

Signatory Title: _____

Name of Entity: _____

SIGNATURE: _____

Signatory Name (Print): _____

Signatory Title: _____

7. **Broker-Dealer Representations and Warranties.**

Purchaser suitability requirements have been established by the Trust and fully disclosed in the Memorandum under “Who May Invest” and in the Purchase Agreement. Before recommending the purchase of an Interest, we have reasonable grounds to believe, on the basis of information supplied by the subscriber concerning his or her investment objectives, other investments, financial situation and needs, and other pertinent information that: (i) the subscriber is an Accredited Investor as defined in Section 501(a) of Regulation D and meets the investor suitability requirements set forth in the Memorandum and the Purchase Agreement, (ii) the subscriber has a net worth and income sufficient to sustain the risks inherent in the Interests, including loss of investment and lack of liquidity, (iii) the Interests are otherwise a suitable purchase for the subscriber and (iv) we have a pre-existing relationship with the subscriber which was not established through any form of general solicitation or, if the pre-existing relationship was established through general solicitation, such pre-existing relationship complies with Rule 506(b) of Regulation D and was established prior to the contemplation of the Offering as set forth in FINRA Notice to Members 05-18. We will maintain in our files documents disclosing the basis upon which the suitability of this subscriber was determined as well as documents establishing a pre-existing relationship with the subscriber.

We verify that the above subscription either does not involve a discretionary account or, if so, that the subscriber’s prior written approval was obtained relating to the liquidity and marketability of the Interests during the term of the purchase.

We hereby certify that the Registered Representative is not or has not been subject to any disqualified or disclosure events as set forth in Rule 506(d) and Rule 506(e) of Regulation D.

We affirm the Broker-Dealer and Registered Representative are properly licensed in the state of residence of the Purchaser.

Except as otherwise stated, the representations and warranties made herein are made as of the date hereof and shall be continuing representations and warranties. In the event that the Registered Representative or Broker-Dealer becomes aware that any of these representations or warranties becomes untrue or is incorrect, it shall promptly notify the Trust in writing of the fact which makes such representation or warranty untrue or incorrect.

[Signatures on Next Page]

Name of Purchaser: _____
Broker-Dealer Firm Name: _____
Registered Representative (Print): _____
Registered Representative's BRANCH ADDRESS: _____
BRANCH City, State, Zip: _____
BRANCH Phone Number: (_____) _____
BRANCH Fax Number: (_____) _____
Email Address: _____

Signature of Registered Representative

Broker-Dealer Principal Approval Signature

Date

Date

8. **Consent of Spouse.**

(For individual Purchasers in community property states; namely, Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin.)

I, _____, spouse of _____ have read and approved the foregoing Purchaser Questionnaire. I hereby appoint my spouse as my attorney-in-fact with respect to the exercise of any rights related to a purchase of a Class A Beneficial Interest in The Maywood Apartments and agree to be bound by the provisions of the Purchase Agreement, Trust Agreement, and any other document related to the purchase of such Interest (collectively, the "Purchase Documents") insofar as I may have any rights in said Purchase Documents or any property 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 the signing of this Purchaser Questionnaire or the Purchase Documents.

Dated: _____, 20____ SIGNATURE: _____

CONSENT TO ELECTRONIC SIGNATURES AND/OR DELIVERY

Instead of (i) receiving paper copies of the Memorandum, this Agreement and any other exhibits, amendments and supplements thereto (collectively, the “Offering Documents”), as well as any annual reports and other investor communications and reports (collectively, “Investor Communications”), and (ii) providing wet signatures to the documents required for you to acquire Interests in the Trust as set forth in the Offering Documents, you may elect to receive electronic delivery of such materials and to provide your signatures electronically. If you would like to consent to electronic delivery of the Offering Documents and Investor Communications and/or the use of electronic signatures for the Offering Documents, please check the applicable box(es) below and sign where indicated.

By consenting to electronic delivery and/or electronic signatures, you will be responsible for your customary internet service provider charges and may be required to download software in connection with access to Offering Documents and Investor Communications and providing electronic signatures.

By consenting below to electronic delivery you (i) authorize the Trust and/or its agent to deliver the Offering Documents and Investor Communications directly to you electronically, including via email or the Trust’s website and (ii) understand and agree that the Offering Documents and Investor Communications are confidential and you cannot send or discuss their contents with any other persons (other than your legal, tax or financial advisors in seeking advice on whether to make the investment). Your consent to electronic delivery will be of an unlimited duration and you will not receive paper copies of these electronic materials unless (a) specifically requested by you, (b) you inform the Trust that you revoke your consent to electronic delivery, (c) the delivery of electronic materials is prohibited or (d) the Company, in its sole discretion, elects to send paper copies of materials.

By consenting to use of electronic signatures, you understand and agree that (i) your electronic signature will constitute an “electronic signature” as defined in the Electronic Signatures in Global and National Commerce Act of 2000 and is the electronic representation of your signature for all purposes when executing documents, including legally binding contracts, just the same as a pen and paper signature or initial, (ii) no certification or other third party verification is necessary to validate your electronic signature and that the lack of such certification or third party verification will not in any way affect the enforceability of your signature and (iii) your electronic signature executed in conjunction with the electronic submission of this Agreement and any other Offering Documents shall be legally binding and such transaction shall be considered authorized by you and you consent to be legally bound by their terms and conditions.

You understand that you are not required to consent to electronic delivery and/or electronic signatures, and you may withdraw your consent at any time. You may request a paper copy of these electronic materials, update your email address and/or withdraw your consent to electronic delivery and/or signatures by written notice to the Trust at 1600 Dove Street, Suite 450, Newport Beach, CA 92660.

I consent to electronic delivery

I consent to the use of electronic signatures

Email Address: _____
(If blank, the email provided Contact Information of the Purchaser Questionnaire will be used.)

Date: _____

Signature

Print Name

EXHIBIT B

PURCHASE AGREEMENT

THE MAYWOOD APARTMENTS
PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "Agreement") is made and effective as of the date the Seller executes this Agreement (the "Effective Date") by and between The Maywood Apartments, a Delaware statutory trust (the "Seller") and _____ (the "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 Section 6.22.

RECITALS

A. The Seller owns that certain real property as set forth on Exhibit A attached hereto and incorporated herein and the improvements situated thereon (the "Project").

B. The Project is subject to the Loan Documents and to the Lease.

C. The Seller desires to sell and the Buyer desires to buy Class A Beneficial Interests in the Seller (each Class A Beneficial Interest representing 0.01515152% of the outstanding beneficial interests, an "Interest") on the terms and conditions set forth in this Agreement. This sale is made pursuant to the Memorandum.

D. The Buyer understands that the Purchase Price (as defined below) received by the Seller will be applied towards the redemption of the Class B beneficial interests in the Seller owned by the Depositor.

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

1. Agreement of Purchase and Sale.

1.1 Purchase, Sale and Purchase Price. In consideration of the covenants herein contained, the Seller hereby agrees to sell, and the Buyer hereby agrees to purchase, _____ Interest(s) (each representing a 0.01515152% beneficial interest in the Seller) (whether one or more, collectively, the "Buyer's Interest"), at a purchase price of \$_____ (the "Purchase Price") (based on \$5,000 of equity for each Interest). Each beneficial interest in the Seller also includes an allocation of \$4,914.39 in debt.

1.2 Payment. The Buyer shall pay the Purchase Price as follows:

1.2.1 If the Buyer's subscription is accepted by the Seller, the Buyer shall deposit Cash into an account designated by the Seller on or before 5 Business Days before the Closing Date (the first day of such 5-day period being referred to as the "Funding Date") in an amount equal to the Purchase Price. The Seller shall provide the Buyer written notice of the Funding Date at least 2 Business Days prior to the Funding Date. In the event the Buyer fails to deposit the Purchase Price in accordance with this Section 1.2.1, the Seller shall have the right to terminate this Agreement.

1.2.2 Concurrently with the execution and delivery of this Agreement, the Buyer shall execute, acknowledge (where appropriate) and deposit with the Seller (i) the Purchaser Questionnaire, (ii) the signature page for the Trust Agreement in the form attached to the Trust Agreement (and which is attached hereto as Exhibit B) and (iii) such other documents as may be required by the Seller or the Lender.

2. Closing.

2.1 Closing Conditions.

2.1.1 This Agreement and the obligations of the parties hereunder are subject to satisfaction or waiver (by the party in whose favor the condition precedent has been established) of all the conditions precedent set forth below. If any of the following conditions precedent are neither satisfied nor waived by the Closing Date, then the Seller may terminate this Agreement in accordance with Section 2.3.

2.1.2 The Manager and, if required by the Lender, the Lender shall have approved the Buyer's entering into the Trust Agreement with respect to the purchase of the Buyer's Interest.

2.2 Closing. The closing shall occur on the Closing Date.

2.3 Failure to Close without Default. If the Purchase Price as required under Section 1.2.1 is not received by the Seller by 5:00 p.m. Eastern Standard Time on the Funding Date for any reason other than the default of either the Buyer or the Seller under this Agreement, either the Buyer or the Manager, on behalf of the Seller, may terminate this Agreement by written notice to the other party. If this Agreement is so terminated, the Buyer and the Seller shall be released from their obligations under this Agreement, other than any obligations of the Buyer that survive the termination of this Agreement.

2.4 Seller's Deliveries After Closing. The Seller shall deliver to the Buyer, within a reasonable time after the Closing Date, a confirmation statement reflecting the Buyer's purchase of the Buyer's Interest, which shall serve as evidence of the Buyer's ownership interest in the Seller.

3. Distribution of Funds and Documents.

3.1 Deposit of Funds. After execution of this Agreement by the Buyer, all Cash, if any, shall be deposited to an account designated by the Seller.

3.2 Documents. The Seller will, at the Closing Date, deliver by United States mail (or will hold for personal pickup, if requested) each document received hereunder by the Seller to the payee or person (i) acquiring rights under said document or (ii) for whose benefit said document was acquired.

4. Buyer Representations and Warranties.

4.1 PURCHASE AS-IS. AS FURTHER PROVIDED IN THE MEMORANDUM, THE BUYER REPRESENTS AND WARRANTS THAT IT IS RELYING SOLELY UPON ITS OWN INSPECTIONS, INVESTIGATIONS AND ANALYSES OF THE PROJECT IN ENTERING INTO THIS AGREEMENT AND THE BUYER IS NOT RELYING IN ANY WAY UPON ANY REPRESENTATIONS, STATEMENTS, AGREEMENTS, WARRANTIES, STUDIES, REPORTS, DESCRIPTIONS, GUIDELINES OR OTHER INFORMATION OR MATERIAL FURNISHED BY THE SELLER, THE DEPOSITOR OR THE MANAGER OR ANY OF THEIR REPRESENTATIVES, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, OF ANY NATURE WHATSOEVER REGARDING ANY SUCH MATTERS AND IS PURCHASING THE BUYER'S INTEREST IN AN "AS-IS," "WHERE-IS" CONDITION. THE BUYER IS A SOPHISTICATED, EXPERIENCED INVESTOR AND WILL RELY ENTIRELY ON ITS OWN REVIEW OF THE SELLER AND THE PROJECT. THE BUYER ACKNOWLEDGES THAT, PRIOR TO THE DATE OF THIS AGREEMENT, THE BUYER HAS HAD THE OPPORTUNITY TO CONDUCT ANY AND ALL PHYSICAL INSPECTIONS OF THE PROJECT AS THE BUYER DEEMS NECESSARY, TO REVIEW AND APPROVE EACH OF THE TRANSACTION DOCUMENTS, AND TO REVIEW AND APPROVE ANY OTHER INFORMATION THE BUYER HAS REQUESTED. THE BUYER ACKNOWLEDGES THAT

THE SELLER ONLY RECENTLY ACQUIRED THE PROJECT AND THE SELLER AND THE MANAGER HAVE LIMITED KNOWLEDGE REGARDING THE CONDITION OF THE PROJECT.

4.2 FEDERAL INCOME TAX CONSEQUENCES.

4.2.1 AS FURTHER PROVIDED IN THE MEMORANDUM, THE BUYER REPRESENTS AND WARRANTS THAT (i) THE BUYER UNDERSTANDS THAT THE TAX CONSEQUENCES OF AN INVESTMENT IN AN INTEREST, ESPECIALLY THE TREATMENT OF THE TRANSACTION UNDER CODE SECTION 1031 AND THE RELATED “1031 EXCHANGE” RULES, ARE COMPLEX AND VARY WITH THE FACTS AND CIRCUMSTANCES OF EACH INDIVIDUAL PURCHASER, (ii) THE BUYER UNDERSTANDS AND IS AWARE THAT THERE ARE SUBSTANTIAL UNCERTAINTIES REGARDING THE TREATMENT OF AN INTEREST AS REAL ESTATE FOR INCOME TAX PURPOSES, (iii) THE BUYER HAS READ THE ENTIRE MEMORANDUM AND FULLY UNDERSTANDS THAT THERE IS A SIGNIFICANT RISK THAT AN INTEREST WILL NOT BE TREATED AS REAL ESTATE FOR INCOME TAX PURPOSES, (iv) THE BUYER HAS INDEPENDENTLY OBTAINED ADVICE FROM ITS LEGAL COUNSEL AND/OR ACCOUNTANT REGARDING ANY TAX-DEFERRED EXCHANGE UNDER CODE SECTION 1031, INCLUDING, WITHOUT LIMITATION, WHETHER THE ACQUISITION OF AN INTEREST MAY QUALIFY AS PART OF A TAX-DEFERRED EXCHANGE, (v) THE BUYER UNDERSTANDS THAT THE SELLER WILL NOT OBTAIN A RULING FROM THE IRS THAT AN INTEREST WILL BE TREATED AS AN UNDIVIDED INTEREST IN REAL ESTATE FOR FEDERAL INCOME TAX PURPOSES AND (vi) THE BUYER UNDERSTANDS THAT THE OPINION OF COUNSEL ISSUED TO THE SELLER (THE “TAX OPINION”) IS ONLY COUNSEL’S VIEW OF THE ANTICIPATED TAX TREATMENT AND THAT THERE IS NO GUARANTY THAT THE IRS WILL AGREE WITH SUCH OPINION.

4.2.2 THE BUYER ACKNOWLEDGES AND AGREES THAT IN THE EVENT THAT THE BUYER AND ANY OTHER PERSON WHO HAS ACQUIRED AN INTEREST IN THE SELLER BRINGS ANY CLAIM OR CAUSE OF ACTION AGAINST DLA PIPER LLP (US) WITH RESPECT TO THE MATTERS SET FORTH IN THE TAX OPINION OR OTHERWISE RELATING TO THE OFFERING, THAT DLA PIPER LLP (US) SHALL HAVE THE RIGHT, AT ITS ELECTION, TO CONSOLIDATE SUCH CLAIMS AND/OR CAUSES OF ACTION INTO ONE CLAIM OR CAUSE OF ACTION AND IN SUCH EVENT DLA PIPER LLP (US) SHALL NOT BE OBLIGATED TO SEPARATELY LITIGATE ANY SUCH CLAIMS OR CAUSES OF ACTION WITH THE HOLDERS OF THE INTERESTS IN THE SELLER. THE BUYER FURTHER ACKNOWLEDGES AND AGREES THAT THE BUYER IS RESPONSIBLE FOR ITS INDIVIDUAL TAX CIRCUMSTANCES AND ONLY THE OPINION SET FORTH IN THE TAX OPINION MAY BE RELIED UPON BY THE BUYER.

4.3 Commissions. The parties mutually warrant and covenant that, other than commissions and fees described in the Memorandum, to be paid by the Depositor in accordance with a separate agreement, no brokerage commissions, finder’s fees or similar commissions or fees shall be due or payable 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 incurred in connection therewith or to enforce this indemnity, which indemnities shall survive the Closing Date (or if none the purchase of the Interest).

4.4 Additional Buyer Representations and Warranties. The Buyer hereby represents and warrants to the Seller that all representations and warranties contained in the Purchaser Questionnaire and all of the following representations and warranties contained in this Section 4.4, are true and correct as of the date of this Agreement and as of the Closing Date.

4.4.1 That (i) to the extent applicable, the execution, delivery and performance of this Agreement and the Trust Agreement (a) have been duly authorized by the Buyer, (b) do not require the Buyer to obtain any consent or approval that have not been obtained and (c) do not contravene or result in a default under (1) any provision of any law or regulation applicable to the Buyer, (2) the governing documents of the Buyer or (3) any agreement or instrument to which the Buyer is a party or by which the Buyer is bound and (ii) this Agreement and the Trust Agreement are valid, binding and enforceable against the Buyer in accordance with their terms.

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

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

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

4.4.5 The Buyer has had the opportunity to ask questions of, and receive answers from, the Seller and its officers, directors, members and employees concerning the Project and the terms and conditions of the offering of the Buyer's Interest, and to obtain any additional information deemed necessary to verify the accuracy of the information contained in the Memorandum. The Buyer has been provided with all materials and information requested by either the Buyer or others representing the Buyer, including any information requested to verify any information furnished to the Buyer.

4.4.6 The Buyer is purchasing the Buyer's Interest for the 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 Buyer's Interest. The Buyer understands that, due to the restrictions referred to in Section 4.4.9, and the lack of any market existing or to exist for the Buyer's Interest, the Buyer's investment in the Buyer's Interest will be highly illiquid and may have to be held indefinitely.

4.4.7 The Buyer understands that the Interests are subject to restrictions on distribution, transfer, resale, assignment or subdivision of the Buyer's Interest imposed by applicable federal and state securities laws. The Buyer is fully aware that the Buyer's Interest has not been registered with the Securities and Exchange Commission in reliance on the exemption specified in Regulation D which reliance is based in part upon the Buyer's representations set forth herein. The Buyer understands that the Buyer's Interest has not been registered under applicable state securities laws and is being offered and sold pursuant to the exemptions specified in said laws, and unless it is registered, it may not be re-offered for sale or resold except in a transaction or as a security exempt under those laws. The Buyer further

understands that the specific approval of such resales by the state securities administrator may be required in some states.

4.4.8 The Buyer understands that none of the Seller, the Depositor or the Manager, or their respective officers, directors, employees, members or affiliates, nor any of their respective legal counsel or advisors, represents the Buyer in any way in connection with the purchase of the Buyer's Interest and the entering into any of the related agreements associated with the purchase, including, but not limited to, this Agreement and the Trust Agreement. The Buyer also understands that legal counsel to the Seller, the Depositor, the Manager 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, the Buyer. The Buyer has been afforded the opportunity to retain the services of an independent investment advisor, attorney or accountant to read all of the documents furnished or made available by the Seller, the Depositor or the Manager both to the Buyer and all other prospective investors and to evaluate the merits and risks of such an investment on the Buyer's behalf.

4.4.9 THE BUYER'S INTEREST OFFERED HEREBY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF CERTAIN STATES AND IS BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE BUYER'S INTEREST IS 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 BUYER'S INTEREST HAS NOT BEEN APPROVED OR DISAPPROVED BY THE 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.

4.4.10 The Buyer is an "accredited investor" as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act.

4.4.11 The Buyer is not and shall not be (i) listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury ("OFAC") pursuant to Executive Order No. 133224, 66 Fed. Reg. 49079 (September 25, 2001) and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable legislation or other Executive Orders in respect thereof (such lists are collectively referred to as "Lists"), (ii) owned or controlled by, nor act for or on behalf of, any person or entity on the Lists or (iii) transfer or permit the transfer of any of the Buyer's Interest to any person who is or whose beneficial owners are listed on the Lists.

4.4.12 The Buyer (i) has such knowledge and experience in financial and business matters that the Buyer is personally capable of evaluating the Project and the merits and risks of an investment in the Buyer's Interest and the Project and has the ability to protect its own interests in connection with such investment, and the Buyer has not relied on an investment advisor in evaluating such risks and merits or (ii) has employed the services of an independent investment advisor, attorney or accountant to read all of the documents furnished or made available by the Seller or the Manager both to the Buyer and all other prospective investors and to evaluate the merits and risks of such an investment on the Buyer's behalf.

4.4.13 Within 5 days after receipt of a written request from the Seller, the undersigned agrees to provide such information and to execute and deliver such documents as may be reasonably necessary to comply with any and all laws and regulations to which the Seller is subject.

4.4.14 The Buyer acknowledges that the sale of the Buyer's Interest has not been accompanied by the publication of any advertisement or by any general solicitation as prohibited by Rule 506(b) of Regulation D.

4.5 Survival. The representations and warranties of the Buyer set forth herein above shall survive the Closing Date or termination of this Agreement.

4.6 Indemnification. The Buyer hereby agrees to indemnify, defend and hold harmless the Seller, the Depositor, the Manager and all of their shareholders, officers, directors, affiliates, members and advisors from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) that they may incur by reason of the Buyer's failure to fulfill all of the terms and conditions of this Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents the 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) incurred by the Seller, the Depositor or the Manager, or any of their shareholders, officers, directors, members, 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 the Buyer has furnished to any of the foregoing in connection with this transaction.

5. Seller's Representations and Warranties.

5.1 Status. The Seller is a validly formed and existing statutory trust under the laws of the State of Delaware.

5.2 Issuance. When issued, authenticated and delivered by the Seller and paid for by the Buyer pursuant to the provisions of this Agreement and of the Trust Agreement, the Buyer's Interest will be duly and validly issued and outstanding and entitled to the benefits provided by the Trust Agreement, except as such enforceability may be limited by the effect of (i) bankruptcy, insolvency, reorganization, receivership, moratorium or other similar laws affecting the enforcement of the rights of creditors generally, and (ii) general principles of equity, whether enforcement is sought in a proceeding in equity or at law.

6. General Provisions.

6.1 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 the 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, oral or written, are merged herein.

6.2 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.

6.3 Cooperation. The Buyer and the Seller acknowledge that it may be necessary to execute documents other than those specifically referred to herein to complete the acquisition of the Buyer's Interest as provided herein. The Buyer and the Seller agree to cooperate with each other by executing such other documents or taking such other action as may be reasonably necessary to complete this transaction in accordance with the parties' intent evidenced in this Agreement.

6.4 Assignment of Agreement. The Buyer shall not assign its rights under this Agreement without first obtaining the Seller's written consent, which consent may be withheld in the Seller's sole and absolute discretion. No such assignment shall operate to release the assignor from the obligation to perform all obligations of the Buyer hereunder.

6.5 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 the Seller:

The Maywood Apartments
c/o CP Maywood Apartments Manager, LLC
1600 Dove Street, Suite 450
Newport Beach, CA 92660

If to the Buyer, to the Buyer's Address.

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, (ii) as of the third Business Day after mailing by United States mail, 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.

6.6 Eminent Domain. If, prior to the Closing Date, (i) all of the Project is taken or appropriated by any public or quasi-public authority under the power of eminent domain, (ii) there is a partial taking of the Project that materially and adversely affects the ability to operate the Project or (iii) the Seller, the Depositor or the Manager receives actual notice of any pending or threatened condemnation proceedings that will materially and adversely affect the ability to operate the Project, then the Buyer may terminate this Agreement without further liability hereunder and the parties shall proceed in accordance with Section 2.3.

6.7 Loss or Damage. The Buyer shall have the right to terminate this Agreement in the event of any loss or damage to the Project, without further liability hereunder, and the parties shall proceed in accordance with Section 2.3.

6.8 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.

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

6.10 Attorneys' Fees. Except with respect to Section 6.19, if either party commences litigation for the judicial interpretation, enforcement, termination, cancellation or rescission hereof, or for damages for the breach hereof against the other party, then, in addition to any or all other relief awarded in such litigation, the 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. The prevailing party shall be determined by either the officiating judge in the matter or by the presiding judge of the Orange County, California Superior Court.

6.11 Joint and Several Liability. If any party consists of more than one person or entity, the liability of each such person or entity signing this Agreement shall be joint and several.

6.12 Choice of Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of California, without regard to conflict of laws principles that would result in the application of any other law, except as otherwise provided herein or as to the type of registration of ownership of the Buyer's Interest, which shall be construed in accordance with the state of principal residence of the Buyer.

6.13 Venue. Any action relating to or arising out of this Agreement shall be brought only in a court of competent jurisdiction located in Orange County, California.

6.14 Time. Time is of the essence to this Agreement.

6.15 Third Party Beneficiaries. The Buyer and the Seller do not intend to benefit any party that is not a party to this Agreement other than the Depositor and the Manager, each of whom shall be a third-party beneficiary of this Agreement with respect to Section 4, and, except as so provided, no party that is not a party to this Agreement shall be deemed to be a third party beneficiary of this Agreement or any provision hereof.

6.16 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.

6.17 Election to Effect a Code Section 1031 Exchange. In the event the Buyer so elects, the Seller agrees to accommodate the Buyer in effecting a tax-deferred exchange under Code Section 1031, as amended. The Buyer shall have the right to elect a tax-deferred exchange at any time prior to the Closing Date. If the Buyer elects to effect a tax-deferred exchange, the Seller agrees to execute revised or additional escrow instructions, documents, agreements, or instruments to effect the exchange, provided that the Seller shall incur no additional costs, expenses, fees or liabilities, nor shall the closing be delayed, as a result of the exchange. The Buyer may assign this Agreement to an accommodator in order to effect such exchange and thereafter, such assignee will perform the Buyer's obligations under this Agreement.

6.18 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.

6.19 ARBITRATION OF DISPUTES.

6.19.1 ALL CLAIMS SUBJECT TO ARBITRATION. ANY DISPUTE, CONTROVERSY OR OTHER CLAIM ARISING UNDER, OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, OR ANY AMENDMENT THEREOF, OR THE BREACH OR INTERPRETATION HEREOF OR THEREOF, SHALL BE DETERMINED AND SETTLED BY BINDING ARBITRATION IN ORANGE COUNTY, CALIFORNIA, IN ACCORDANCE WITH TITLE 9 OF THE CALIFORNIA CIVIL CODE AND THE CODE OF CIVIL PROCEDURE, INCLUDING SPECIFICALLY CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 1283.05 AND 1283.1, AND THE RULES AND PROCEDURES OF THE AMERICAN ARBITRATION ASSOCIATION. THE PREVAILING PARTY SHALL BE ENTITLED TO AN AWARD OF ITS REASONABLE COSTS AND EXPENSES INCLUDING BUT NOT LIMITED TO ATTORNEY'S FEES. ANY AWARD RENDERED THEREIN SHALL BE FINAL AND BINDING ON EACH AND ALL OF THE PARTIES THERETO AND THEIR PERSONAL REPRESENTATIVES, AND JUDGMENT MAY BE ENTERED THEREON IN ANY COURT OF COMPETENT JURISDICTION.

6.19.2 WAIVER OF LEGAL RIGHTS. BY INITIALING IN THE SPACE BELOW, THE PARTIES ACKNOWLEDGE AND AGREE TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THIS ARTICLE DECIDED BY NEUTRAL ARBITRATION AS PROVIDED UNDER CALIFORNIA LAW AND THAT THEY ARE KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY 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 SECTION. IF EITHER PARTY REFUSES TO SUBMIT TO ARBITRATION AFTER EXECUTION OF THIS AGREEMENT AND INITIALING BELOW, SUCH PARTY MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. EACH PARTY'S AGREEMENT TO THIS SECTION IS VOLUNTARY. THE PARTIES HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THIS SECTION TO NEUTRAL ARBITRATION.

Seller's Initials

Buyer's Initials

6.20 ACCEPTANCE OR REJECTION OF BUYER'S OFFER. THIS AGREEMENT DOES NOT CONSTITUTE AN OFFER OF ANY KIND BY THE SELLER AND SHALL NOT BIND THE SELLER UNLESS DULY EXECUTED AND DELIVERED BY THE MANAGER ON BEHALF OF THE SELLER. TO SUBMIT AN OFFER, THE BUYER SHALL DELIVER TO THE SELLER AN EXECUTED COPY OF THE PURCHASER QUESTIONNAIRE AND SHALL DELIVER TO THE SELLER 3 COMPLETED AND EXECUTED ORIGINALS OF THIS AGREEMENT. THE SELLER SHALL HAVE 30 DAYS TO EITHER ACCEPT OR REJECT THE BUYER'S OFFER. IF THE SELLER DOES NOT ACCEPT THE BUYER'S OFFER WITHIN SUCH 30-DAY PERIOD, THE OFFER SHALL BE DEEMED REJECTED, AND THIS AGREEMENT SHALL NOT BECOME EFFECTIVE.

6.21 Legal Counsel. The Buyer acknowledges and agrees that counsel representing any of the Seller, the Manager, the Depositor and their respective affiliates does not represent and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing the Buyer in any respect. In addition, the Buyer consents to the Manager hiring counsel for the Project who is also counsel to the Seller and its affiliates.

6.22 Definitions.

"Agreement" shall have the meaning set forth in the introductory paragraph.

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

"Buyer" shall have the meaning set forth in the introductory paragraph.

"Buyer's Address" shall be the address set forth on the signature page to this Agreement.

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

"Cash" shall mean (i) currency of the United States of America, (ii) cashier's check(s) currently dated and payable to the Seller, as required under this Agreement, drawn and paid through a California banking or savings and loan institution, tendered to the Seller, as required under this Agreement at least 1 additional Business Day before funds are otherwise required to be delivered under this

Agreement, or (iii) an amount credited by wire transfer to the Seller's bank account, as required under this Agreement.

"Closing Date" means that certain date selected by the Seller in its sole discretion as the date the purchase of the Interests is final.

"Code" means the Internal Revenue Code of 1986, as amended.

"Depositor" means CP Maywood Depositor, LLC, a Delaware limited liability company.

"Effective Date" shall have the meaning set forth in the introductory paragraph.

"Funding Date" shall have the meaning set forth in Section 1.2.1.

"Interest" shall have the meaning set forth in the Recitals.

"Lease" means the master lease agreement with CP Maywood Apartments MT, LLC relating to the Project, together with all amendments, supplements and modifications thereto.

"Lender" means Arbor Commercial Funding I, LLC, a Delaware limited liability company, and its successors and assigns.

"Loan Documents" means the Note, the loan agreement, the mortgage and the other documents related to or securing the Note.

"Manager" means CP Maywood Apartments Manager, LLC, a Delaware limited liability company, and the manager of the Seller in accordance with the Trust Agreement. The Manager is acting solely in its capacity as manager of the Seller and not on its own behalf.

"Memorandum" means that certain Confidential Private Placement Memorandum of The Maywood Apartments dated February 1, 2022, as supplemented or amended.

"Note" means that certain promissory note in the original principal amount of approximately \$32,435,000 executed by the Seller in favor of the Lender.

"OFAC" means the Office of Foreign Asset Control, Department of the Treasury.

"Project" shall have the meaning set forth in the Recitals.

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

"Purchaser Questionnaire" means the Purchaser Questionnaire in the form attached to the Memorandum.

"Seller" means The Maywood Apartments, a Delaware statutory trust.

"Transaction Documents" means this Agreement, the Purchaser Questionnaire, the Loan Documents and the Trust Agreement, as applicable.

"Trust Agreement" means that certain Amended and Restated Trust Agreement of The Maywood Apartments in the form attached to the Memorandum.

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

SELLER:

BUYER:

THE MAYWOOD APARTMENTS, a
Delaware statutory trust

If a Natural Person or Grantor Trust:

By: CP Maywood Apartments Manager, LLC,
a Delaware limited liability company,
its Manager

Signature: _____

Name: _____

By: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Address: _____

Dated: _____

If other than a Natural Person:

Full Name of Entity:

Signature: _____

Name: _____

Title: _____

Address: _____

**PARTIES MUST ALSO INITIAL SECTION 6.19.2 AND EXECUTE THE SIGNATURE PAGE
FOR CLASS A OWNERS OF THE MAYWOOD APARTMENTS
ATTACHED AS EXHIBIT B HERETO.**

[Signature Page to Purchase Agreement]

EXHIBIT A

THE PROJECT

The Project is located at 425 N. Oklahoma Avenue, Oklahoma City, Oklahoma 73104, and is more particularly described on Exhibit A of the Trust Agreement.

EXHIBIT B

**SIGNATURE PAGE FOR
CLASS A OWNERS OF
THE MAYWOOD APARTMENTS**

The undersigned has received and reviewed, with assistance from such legal, tax, investment, and other advisors and skilled persons as the undersigned has deemed appropriate, the Amended and Restated Trust Agreement of The Maywood Apartments dated February 1, 2022, by and among CP Maywood Depositor, LLC, a Delaware limited liability company, as Depositor, CP Maywood Apartments Manager, LLC, a Delaware limited liability company, as Manager, and Delaware Trust Company, a Delaware corporation, as Trustee (the "Trust Agreement"), as may be further amended or supplemented from time to time, and hereby covenants and agrees to be bound by the Trust Agreement as an Owner. All capitalized terms used herein, and not defined herein shall have the meanings given to such terms in the Trust Agreement.

In connection with the purchase of the Class A Interest, the undersigned hereby represents and warrants that the undersigned is:

(a) a citizen or resident of the U.S. (including certain former citizens and former long-term residents), (2) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S. or of any political subdivision thereof, (3) an estate, the income of which is subject to U.S. federal income taxation regardless of the source of such income or (4) a trust, if (i) the administration of the trust is subject to the primary supervision of a U.S. court and the trust has one or more U.S. persons with authority to control all substantial decisions or (ii) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person; and

(b) an Accredited Investor, unless the undersigned is not required to be an Accredited Investor pursuant to the applicable state and federal securities laws (to be determined in the sole discretion of the Manager).

If a Natural Person or Grantor Trust:

Signature: _____

Name: _____

Signature: _____

Name: _____

If other than a Natural Person:

Full Name of Entity:

Signature: _____

Name: _____

Title: _____

Signature: _____

Name: _____

Title: _____

EXHIBIT C

AMENDED AND RESTATED TRUST AGREEMENT

AMENDED AND RESTATED TRUST AGREEMENT
OF
THE MAYWOOD APARTMENTS
DATED AS OF
DECEMBER 30, 2021
BY AND AMONG
CP MAYWOOD DEPOSITOR, LLC
AS THE DEPOSITOR
AND
CP MAYWOOD APARTMENTS MANAGER, LLC
AS THE MANAGER,
AND
DELAWARE TRUST COMPANY
AS THE TRUSTEE

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 NOR APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR BY THE SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS ANY COMMISSION OR AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF ANY DISCLOSURE MADE IN CONNECTION THEREWITH. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE SECURITIES OFFERED HEREBY MAY NOT BE RESOLD WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS OR EXEMPTION THEREFROM.

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EXHIBIT E	–	TRUSTEE AND MANAGER FEES
EXHIBIT F	–	CONVERSION NOTICE

AMENDED AND RESTATED TRUST AGREEMENT
OF
THE MAYWOOD APARTMENTS
A DELAWARE STATUTORY TRUST

This Amended and Restated Trust Agreement (this “Agreement”), dated as of December 30, 2021 (the “Effective Date”) (as the same may be amended or supplemented from time to time), is made by and among CP Maywood Depositor, LLC, a Delaware limited liability company as the depositor hereunder (the “Depositor”), CP Maywood Apartments Manager, LLC, a Delaware limited liability company, as the Manager, and Delaware Trust Company, a Delaware corporation, as Trustee and Independent Trustee. Except as otherwise provided in this Agreement, defined terms shall have the meanings set forth in Section 1.

RECITALS

A. On November 22, 2021, Depositor and Trustee formed a statutory trust in accordance with the Act.

B. The Depositor and the Trustee entered into a Trust Agreement dated as of November 22, 2021 (the “Original Agreement”).

C. The Trust has agreed to acquire the Project from the Seller.

D. The Depositor intends to contribute to the Trust \$24,815,000 in cash for the purchase of the Project and cash operating reserves, in exchange for 100% of the Class B Interests.

E. To enable the Trust to complete the purchase of the Project, the Trust will obtain the Loan from the Lender and enter into the Master Lease with the Master Tenant.

F. It is anticipated that Investors will acquire Class A Interests in the Trust in exchange for the payment of cash to the Trust and become Class A Owners in accordance with the provisions of this Agreement, which cash will be used by the Trust to redeem the Depositor’s Class B Interests on a proportionate basis. Upon the sale of all of the remaining Class A Interests, the Depositor will no longer have any interest in the Trust and no Class B Interests will remain outstanding.

G. The Project will be acquired by the Trust on the Project Acquisition Date and afterwards will be owned solely by the Trust.

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

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

J. The parties now desire to amend and restate in its entirety the Original Agreement.

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

1. Definitions. Capitalized terms used in this Agreement that are not defined elsewhere in this Agreement have the following meanings:

“Act” means Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. §§ 3801 et seq., as the same may be amended from time to time.

“Accredited Investor” has the meaning ascribed to it in Rule 501 of Regulation D promulgated by the U.S. Securities and Exchange Commission under its authority pursuant to the Securities Act.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person. For purposes of this definition, “control,” when used with respect to any Person, means 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.

“Agreement” has the meaning set forth in the introductory paragraph hereof.

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

“Business Day” is any day other than a Saturday, Sunday or legal holiday in the State of Delaware.

“Certificate of Trust” means the certificate of trust of the Trust, filed with the Delaware Secretary of State on November 22, 2021.

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

“Class A Owners” means the registered holders of the Class A Interests.

“Class B Interests” means the Beneficial Interests initially held by the Depositor.

“Class B Owners” means the registered holders of the Class B Interests.

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

“Conversion Date” means the date of the Conversion Notice.

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

“Depositor” has the meaning set forth in the introductory paragraph hereof.

“Designated Trustee” has the meaning set forth in Section 4.5.

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

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Independent Trustee” means the Person appointed solely for the purpose of Section 3.3.3, and any successor Independent Trustee appointed in accordance with the Loan Agreement. The Trustee will act as the initial Independent Trustee of the Trust.

“Investors” mean the purchasers of the Class A Interests.

“Lender” means Arbor Commercial Funding I, LLC, a New York limited liability company.

“Lender’s Termination Notice” has the meaning set forth in Section 9.2.1(b).

“LLC Agreement” has the meaning set forth in Section 9.2.1(b).

“Loan” means that certain loan from the Lender to the Trust in the principal amount of approximately \$32,435,000, as evidenced and secured by the Loan Documents.

“Loan Agreement” means the Multifamily Loan and Security Agreement (Nonrecourse) dated as of December 30, 2021, between the Trust and Lender, as amended from time to time.

“Loan Documents” mean the (i) Multifamily Loan and Security Agreement (Nonrecourse), (ii) Multifamily Note, (iii) Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Oklahoma), (iv) Environmental Indemnity Agreement, (v) Assignment of Management Agreement, (vi) Subordination Agreement (DST Master Lease), (vii) Property Level Assignment of Leases and Rents and (viii) any other documents necessary to be entered into, executed and delivered in connection with the Loan.

“Manager” means CP Maywood Apartments Manager, LLC, a Delaware limited liability company, or any successor Manager appointed pursuant to the terms of this Agreement.

“Manager Expenses” has the meaning set forth in Section 5.4.

“Manager Indemnified Persons” has the meaning set forth in Section 5.4.

“Master Lease” means the Master Lease Agreement entered into between the Master Tenant and the Trust.

“Master Lease Documents” means the Master Lease, the Property Level Assignment of Leases and Rents, and any other documents executed by the Trust or the Master Tenant in connection with the Master Lease.

“Master Lease Event of Default” means a default by the Master Tenant under the Master Lease beyond any applicable cure period set forth in the Master Lease.

“Master Lease Termination Event” means (i) a Master Lease Event of Default has occurred and is continuing or (ii) a foreclosure of the Project by the Lender as provided under the Loan Documents.

“Master Tenant” means CP Maywood Apartments MT, LLC, a Delaware limited liability company.

“Original Agreement” has the meaning set forth in the Recitals.

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

“Ownership Records” means the records maintained by the Manager, substantially in the form as set forth on Exhibit B, indicating from time to time the name, mailing address and Percentage Share of each Owner, which records shall be revised by the Manager contemporaneously to reflect the issuance of Beneficial Interests in accordance with this Agreement, changes in mailing addresses or other changes.

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

“Permitted Investment” means short-term obligations of (or guaranteed by) the United States or any agency or instrumentality thereof and in certificates of deposit or interest-bearing bank accounts of any bank or trust companies having a minimum stated capital and surplus of \$100,000,000. All such obligations must mature prior to the next distribution date, and be held to maturity.

“Person” means a natural person, corporation, limited partnership, general partnership, 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.

“Project” means that certain real property and improvements commonly known as The Maywood, located in Oklahoma City, Oklahoma, and more particularly described on Exhibit A to this Agreement.

“Project Acquisition Date” means the date on which the Trust acquires the Project.

“Purchase Agreement” means the agreement to be entered into by the Trust and each Investor with respect to the acquisition of the Class A Interests.

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

“Reserves” has the meaning set forth in Section 7.1.

“Secretary of State” means the Delaware Secretary of State.

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

“Seller” means, collectively, 4th Street Investors, LP, a Delaware limited partnership, and 4th Street Investors II, LP, a Delaware limited partnership.

“Signature Page” has the meaning set forth in Section 6.7.

“Single Asset Entity” has the meaning set forth in Section 3.3.2.

“Springing LLC” has the meaning set forth in Section 9.2.1 or Section 9.2.2, as applicable.

“Termination Date” means March 31, 2032.

“Transaction Documents” mean this Agreement, the Purchase Agreements, the Real Estate Agreement, the Master Lease and the Loan Documents, together with any other documents to be executed in furtherance of the investment activities of the Trust.

“Transfer Distribution” has the meaning given to such term in Section 9.2.1(b).

“Treasury Regulations” means the Treasury Regulations promulgated by the U.S. Department of Treasury pursuant to its authority under the Code.

“Trust” means The Maywood Apartments, a Delaware statutory trust continued by and in accordance with, and governed by, this Agreement.

“Trust Estate” means all of the Trust’s right, title and interest in and to the Master Lease, the Project, and any and all other property and assets (whether tangible or intangible) in which the Trust at any time has any right, title or interest.

“Trustee” means Delaware Trust Company, a Delaware corporation, not in its individual capacity but solely as a trustee, or any successor trustee appointed as “Trustee” pursuant to this Agreement.

“Trustee Expenses” has the meaning set forth in Section 4.2.

“Trustee Indemnified Persons” has the meaning set forth in Section 4.2.

2. General Matters.

2.1 Organizational Matters.

2.1.1 Delaware Trust Company is hereby appointed as the Trustee, and Delaware Trust Company hereby accepts such appointment.

2.1.2 The Trustee has executed and filed the Certificate of Trust in the office of the Secretary of State on November 22, 2021. The Trustee is authorized to execute and file in the office of the Secretary of State such additional certificates as may from time to time be required under the Act or any other Delaware law and to execute, in such forms as may be furnished to the Trustee from time to time, and deliver to the Manager such additional certificates and documents, including an additional original Certificate of Trust, as the Manager determines are required by the state and local laws of the jurisdictions in which the Project is located, so that the Manager may have such additional certificates and documents filed with the appropriate governmental entities.

2.1.3 The name of the Trust is “The Maywood Apartments.” Any reference to the Trust shall be a reference to the statutory trust formed pursuant to the Certificate of Trust and this Agreement and not to the Trustee, or the Manager individually or to the officers, agents or employees of the Trust, the Trustee, or the Manager.

2.1.4 The principal office of the Trust, and such additional offices as the Manager may establish, shall be located at such places inside or outside of the State of Delaware as the Manager shall designate from time to time. As of the Effective Date, the principal office of the Trust is located c/o the Manager at 1600 Dove Street, Suite 450, Newport Beach, California 92660.

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

2.2 Declaration of Trust and Statement of Intent.

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

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

2.3 Purposes. The purposes of the Trust are to engage in the following activities: (i) to acquire the Project subject to the Master Lease and enter into the Loan Documents, (ii) to hold the Project for investment and to sell, transfer or exchange the Project as required or permitted under Section 9, (iii) to make monthly distributions to the Owners from cash generated by ownership of the Project and (iv) to take such other actions as the Manager deems necessary to carry out the foregoing as are permitted in this Agreement.

3. Provisions Relating to Tax Treatment and the Loan.

3.1 Section 3 Controls Over All Other Provisions of this Agreement. This Section 3 contains certain provisions required by the Lender or intended to achieve the desired treatment of the Trust and the Beneficial Interests for federal income tax purposes. To the extent of any inconsistency between this Section 3 and any other provision of this Agreement, this Section 3 shall be controlling; provided, however, that nothing in this Section 3 shall limit or impair the Trust's power and authority to execute and deliver, and to perform its obligations under, the Transaction Documents, and further provided that the requirements of this Section 3 shall be enforceable to the maximum extent permissible under the Act.

3.2 Provisions Relating to Tax Treatment.

3.2.1 Prior to the effective date of the Conversion Notice, the sole Owner of the Trust will be the Depositor. The rights of the Depositor (as the Class B Owner) with respect to the assets and property held by the Trust are such that the Trust will be characterized as a "business entity" within the meaning of Treasury Regulations Section 301.7701-2. Because the Depositor will be the sole Owner, the Trust will be characterized prior to the effective date of the Conversion Notice as a disregarded entity, and all assets and property of the Trust will be treated for federal income tax purposes as assets and property of the Depositor.

3.2.2 On the effective date of the Conversion Notice, all prior special rights of the Depositor (as the Class B Owner), as set forth in Section 5.8, will terminate and the Depositor will have the same rights as a Class A Owner. At such time the Depositor will be deemed for federal income tax purposes to have transferred all assets and liabilities in the Trust to a separate entity (the Trust), which will be classified for federal income tax purposes as specified in Section 3.2.3. The Depositor shall assume the obligation to pay all offering and organizational expenses, acquisition and closing costs and expenses, loan and lender costs and expenses, selling commissions and expenses, and carrying costs related to the acquisition of the Project by the Trust and the offering of Class A Interests to Investors.

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

- (a) sell, transfer or exchange the Project except as required or permitted under Section 9;
- (b) invest or reinvest any cash held by the Trust (including Reserves) in anything other than Permitted Investments;

- (c) reinvest any monies of the Trust, except to make minor nonstructural modifications or repairs to the Project as permitted under this Agreement;
- (d) reinvest the proceeds from the sale of the Project;
- (e) renegotiate or refinance the Loan, except in the case of the Master Tenant's bankruptcy or insolvency;
- (f) renegotiate, alter or extend the Master Lease or enter into new leases, except in the case of the Master Tenant's bankruptcy or insolvency;
- (g) make any modifications to the Project other than minor nonstructural modifications or as required by law;
- (h) accept any capital contributions from an Owner or other Person (other than capital from an Investor that will be distributed to the Depositor and reduce the Depositor's Percentage Share pursuant to this Agreement); or
- (i) take any other action that would, in the opinion of tax counsel to the Trust, cause the Trust to be treated as a business entity for federal income tax purposes, if the effect of the action would be to create a power under the Agreement to "vary the investment of the certificate holders" under Treasury Regulations Section 301.7701-4(c)(1) and Rev. Rul. 2004-86, 2004-2 C.B. 191.

3.2.4 The Trust shall hold the Trust Estate for investment purposes and shall lease the Project only to the Master Tenant except as set forth in Section 3.2.3(f). Except as set forth in Sections 3.2.3(e), (f) or (to the extent required by law) (g), the activities of the Trust with respect to the Trust Estate after the effective date of the Conversion Notice shall be limited to activities that are customary services in connection with the maintenance and repair of the Project, and none of the Trustee, the Owners, the Manager and their respective agents shall provide non-customary services, as such term is defined in Code Sections 512 and 856 and Rev. Rul. 75-374, 1975-2 C.B. 261. The Trust shall conduct no business other than as specifically set forth in Section 2.3 and this Section 3.2. Without limiting the generality of the foregoing, (i) none of the Trustee, the Manager, the Owners and the Trust shall have any power or authority to undertake any actions that are not permitted to be undertaken by an entity that is treated as a "trust" within the meaning of Treasury Regulations Section 301.7701-4 and not treated as a "business entity" within the meaning of Treasury Regulations Section 301.7701-2 and (ii) this Agreement shall be interpreted and enforced so as to be in compliance with the requirements of Rev. Rul. 2004-86, 2004-2 C.B. 191. For federal income tax purposes upon and after the effective date of the Conversion Notice, the Trust is intended to be and shall constitute an investment trust pursuant to Treasury Regulations Section 301.7701-4(c) and shall not constitute a "business entity."

3.3 Provisions Relating to the Loan.

3.3.1 This Section 3.3 is intended to qualify the Trust as a "single asset entity" for purposes of the Loan. So long as any portion of the Loan is outstanding the provisions of this Section 3.3 shall be in full force and effect and the Trust shall comply with the requirements set forth below for a "Single Asset Entity;" provided, however, that the provisions of this Section 3.3 shall cease to be of force or effect upon the repayment or defeasance of the Loan in full, in accordance with the Loan Documents.

3.3.2 "Single Asset Entity" shall mean a Delaware statutory trust that at all times on and after the date hereof:

(a) shall not acquire, lease or operate any real property, personal property or assets other than the Project and other Mortgaged Property (as defined in the Loan Documents);

(b) shall not 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 Mortgaged Property;

(c) shall not 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;

(d) shall maintain its financial statements, accounting records and other trust documents separate from those of any other Person (unless the Trust's assets are included in a consolidated financial statement prepared in accordance with generally accepted accounting principles); provided the Owners may also include their share of the assets on their personal financial statements;

(e) 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 the Trust is a party or by which the Trust is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(i) unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property (exclusive of amounts (A) to be paid out of the replacement reserve account or repairs escrow account established under the terms of the Loan Agreement, or (B) for rehabilitation, restoration, repairs or replacements of the Mortgaged Property or otherwise approved by Lender) so long as such trade payables (1) are not evidenced by a promissory note, (2) are payable within 60 days of the date incurred, and (3) as of any date, do not exceed, in the aggregate, 2% of the original principal balance of the Loan; provided, however, that otherwise compliant outstanding trade payables may exceed 2% up to an aggregate amount of 4% of the original principal balance of the Loan for a period (beginning on or after the effective date of the Loan) not to exceed 90 consecutive days;

(ii) if the Loan Documents grant a lien on a leasehold estate, the Trust's obligations as lessee under the ground lease creating such leasehold estate;

(iii) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents; and

(iv) obligations under the Permitted Encumbrances (as defined in the Loan Documents);

(f) shall not assume, guaranty or pledge its assets to secure the liabilities or obligations of any other Person (except 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;

(g) shall not make loans or advances to any other Person;

(h) other than the Master Lease, shall not enter into, or become a party to, any transaction with any Trust Affiliate, except in the ordinary course of business and on terms which are no more favorable to any such Trust Affiliate than would be obtained in a comparable arm's-length transaction with an unrelated third party, provided that neither the Trust's acquisition of the Mortgaged Property nor

the Trust's entry into and performance of its obligations under the Master Lease Documents shall be deemed to breach this covenant;

(i) shall have at all times an Independent Trustee in compliance with the Loan Agreement; and

(j) shall not file a certificate of division, adopt a plan of division, amend this Agreement, or take, permit or consent to any other actions in order to divide the Trust into two or more Persons pursuant to a plan of division.

3.3.3 As long as the Loan is outstanding, the Trust shall have one trustee that is an Independent Trustee. Except for duties to the Trust as set forth in this Agreement (including duties to the Owners and the Trust's creditors solely to the extent of their respective economic interests in the Trust, but excluding (i) all other interests of the Owners, (ii) the interests of other Affiliates of the Trust, and (iii) the interests of any group of Trust Affiliates of which the Trust is a part), the Independent Trustee shall not have any fiduciary duties to the Owners or any other Person bound by this 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 12-3806(c) of the Act and notwithstanding any duty otherwise existing at law or in equity, the Independent Trustee shall not be liable to the Trust, any Owner or any other Person bound by this Agreement for breach of contract or breach of duties (including fiduciary duties), unless the Independent Trustee acted in bad faith or engaged in willful misconduct.

Failure to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Trust as a separate legal entity or the limited liability of the Owners.

4. Concerning the Trustee and Independent Trustee.

4.1 Power and Authority. The Trustee shall have the power and authority, and is hereby authorized and empowered, to (i) accept legal process served on the Trust in the State of Delaware and (ii) execute any certificates that are required to be executed under the Act and file such certificates in the office of the Secretary of State, and take such action or refrain from taking such action under this Agreement as may be directed in a writing delivered to the Trustee by the Manager. Except as expressly provided herein, the Trustee shall not be entitled to exercise any powers. The Trustee shall not have any of the duties or responsibilities of the Manager described in this Agreement and no such duties shall be implied. Subject to the preceding sentences of this Section 4.1, the Trustee shall be a Trustee for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Act. The Trustee shall also maintain its authority and power to act as the Trustee in the State of Delaware. In particular, but not by way of limitation:

4.1.1 Under no circumstances shall the Trustee or Independent Trustee be personally liable for any representation, warranty, covenant, agreement or indebtedness of the Trust;

4.1.2 Except as expressly provided in this Section, in accepting and performing for the Trust hereby created, the Trustee acts solely as Trustee hereunder and not in its individual capacity, and all Persons having any claim against the Trustee by reason of the transactions contemplated by this Agreement shall look only to the Trust's property for payment or satisfaction thereof; and

4.1.3 Under no circumstances shall the Trustee or Independent Trustee be liable for any punitive, exemplary, consequential, special or other damages for a breach of this Agreement.

4.2 Indemnification. The Manager shall cause the Trust, to the full extent of the Trust Estate, (i) to reimburse the Trustee, the Independent Trustee and the Designated Trustee, in its individual capacity

and as Trustee, Independent Trustee or Designated Trustee, for all reasonable expenses (including reasonable fees and expenses of counsel and other professionals) incurred in connection with the negotiation, execution, delivery, or performance of, or exercise of rights or powers under, this Agreement, (ii) to the fullest extent permitted by law, indemnify, defend and hold harmless the Trustee and the Independent Trustee, in its individual capacity and as Trustee or Independent Trustee, and the officers, directors, employees, agents, managers and owners of the Trustee and the Independent Trustee, in its individual capacity and as Trustee or Independent Trustee (collectively, the “Trustee Indemnified Persons”), from and against any and all losses, damages, liabilities, claims, actions, suits, costs, expenses, disbursements (including reasonable fees and expenses of counsel and other professionals), taxes and penalties, of any kind and nature whatsoever, arising out of or imposed upon or asserted at any time against such Trustee Indemnified Persons, including without limitation on the basis of ordinary negligence on the part of any such Trustee Indemnified Person, with respect to or in connection with this Agreement, the Trust, or any transaction or document contemplated hereby (collectively, the “Trustee Expenses”); provided, however, that the Trust shall not be required to indemnify a Trustee Indemnified Person for any Trustee Expenses to the extent such Trustee Expenses result from the fraud, gross negligence or willful misconduct of any Trustee Indemnified Person and (iii) to the fullest extent permitted by law, advance to each such Trustee Indemnified Person the Trustee Expenses incurred by such Trustee Indemnified Person in defending any claim, demand, action, suit or proceeding in connection with this Agreement, the Trust or any transaction or document contemplated hereby prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Trust of an undertaking, by or on behalf of such Trustee Indemnified Person, to repay such amount if a court of competent jurisdiction renders a final, nonappealable judgment that includes a specific finding of fact that such Trustee Indemnified Person is not entitled to be indemnified therefor under this Section 4.2. The obligations of the Trust under this Section 4.2 shall survive the resignation or removal of the Trustee and the amendment, supplement and/or restatement of this Agreement.

4.3 Removal; Resignation; Succession. The Trustee and the Independent Trustee may resign at any time by giving at least 60 days’ prior written notice to the Manager and the Lender. The Manager may at any time remove the Trustee for cause by written notice to the Trustee. For purposes of this Section 4.3, “cause” shall only result from the willful misconduct, bad faith, fraud or negligence of the Trustee. Such resignation or removal shall be effective upon the acceptance of appointment by a successor trustee or Independent Trustee as hereinafter provided. In case of the removal of the Trustee or resignation of the Trustee or Independent Trustee, the Manager may appoint a successor trustee or Independent Trustee by written instrument. In case of the resignation of the Trustee or Independent Trustee or removal of the Trustee, if a successor trustee or Independent Trustee is not appointed within 60 days after the Trustee or Independent Trustee gives notice of its resignation or the Trustee is removed, the Trustee or Independent Trustee, or any of the Owners, may apply to any court of competent jurisdiction in the United States to appoint an interim successor trustee or Independent Trustee to act until such time, if any, as a successor trustee or Independent Trustee is appointed as provided above and provided the consent of the Lender, if required, is obtained if the Loan is outstanding. Any successor trustee or Independent Trustee so appointed by such court shall immediately and without further act be superseded by any successor trustee or Independent Trustee appointed as provided above within one year from the date of the appointment by such court. Any successor trustee or Independent Trustee, however appointed, shall execute and deliver to its predecessor trustee or Independent Trustee an instrument accepting such appointment, and thereupon such successor trustee or Independent Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor trustee or Independent Trustee in the trusts under this Agreement with like effect as if originally named the Trustee or Independent Trustee herein. Upon the written request of such successor trustee, such predecessor trustee shall execute and deliver an instrument transferring to such successor trustee, upon the trusts herein expressed, all the estates, properties, rights, powers, duties and trusts of such predecessor trustee, and such predecessor trustee shall duly assign, transfer, deliver and pay over to such successor trustee all monies or other property then held by such

predecessor trustee upon the trusts herein expressed. Any rights of the Owners against a predecessor trustee in its individual capacity shall survive the resignation or removal of such predecessor trustee, shall survive the dissolution and termination of the Trust and shall survive the termination, amendment, supplement and/or restatement of this Agreement. Any successor trustee, however appointed, shall be a bank or trust company, with trustee powers, satisfying the requirements of Section 3807(a) of the Act. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Trustee may be transferred, shall, subject to the preceding sentence, be the Trustee under this Agreement without further act.

4.4 Fees and Expenses. The Trustee and the Independent Trustee shall receive as compensation for its services hereunder the amount set forth on Exhibit E. The Manager shall cause the Trust to pay to the Trustee the fees as set forth on Exhibit E. The Trustee shall not have any obligation by virtue of this Agreement to spend any of its own funds or to take any action that could result in it incurring any cost or expense.

4.5 Designated Trustee. The Manager may appoint in its sole discretion, from time to time, a co-trustee to serve with the Trustee for the limited purpose of executing any documentation that may require the signature of more than one trustee of the Trust (the “Designated Trustee”). The Trust hereby grants the Designated Trustee the power to act and sign documents on behalf of the Trust pursuant to the terms of this Section 4.5. The Manager may appoint an additional Designated Trustee, replace any Designated Trustee and/or eliminate this position in its entirety in its sole discretion. The Designated Trustee shall not receive any compensation for its services. The initial Designated Trustee shall be Justin Morehead.

5. Concerning the Manager.

5.1 Power and Authority. The activities and affairs of the Trust shall be managed exclusively by or under the direction of the Manager. Except as otherwise provided in this Agreement, the Manager shall have full power and authority, and is hereby authorized and empowered, to manage the Trust Estate and the activities and affairs of the Trust, subject to and in accordance with the terms and provisions of this Agreement; provided, however, that the Manager shall have no power to engage on behalf of the Trust in any activities that the Trust could not engage in directly. The Manager shall have the power and authority, and is hereby authorized, empowered and directed by the Trust, to enter into, execute and deliver, and to cause the Trust to perform its obligations under, each of the Transaction Documents to which the Trust is or becomes a party or signatory and, in furtherance thereof, the Class B Owner, at any time prior to the effective date of the Conversion Notice, may confirm such authorization, empowerment and direction and otherwise direct the Manager in connection with the management of the activities and affairs of the Trust. The Manager may, in its sole discretion, employ such Persons (on its own behalf or on behalf of the Trust), including Affiliates of the Manager, as it deems necessary for the efficient operation of the Trust. In the event the Manager determines it is necessary due to leasing or other activities, the Manager may, in its sole discretion, hire a property manager, which may be an Affiliate of the Manager.

5.2 Manager’s Capacity. The Manager acts solely as an agent of the Trust and not in its individual capacity, and all Persons having any claim against the Manager by reason of the transactions contemplated by this Agreement, the Transaction Documents or any other document shall look only to the Trust Estate for payment or satisfaction thereof. Notwithstanding any provision of this Agreement to the contrary, the Manager shall not have any liability to any Person except for its own fraud, gross negligence or willful misconduct, and shall have no other duties or obligations, fiduciary or otherwise, except as set forth in this Agreement.

5.3 Duties.

5.3.1 The Manager has primary responsibility for performing the administrative actions set forth in this Section 5.3. In addition, the Manager shall have the obligations with respect to a Transfer Distribution and a potential sale of the Trust Estate as set forth in Section 9. The Manager shall not have any duty or obligation under or in connection with this Agreement or the Trust, or any transaction or document contemplated hereby, except as expressly provided by the terms of this Agreement, and no implied duties or obligations shall be read into this Agreement against the Manager. The right of the Manager to perform any discretionary act enumerated herein shall not be construed as a duty. To the fullest extent permitted by law, including without limitation Section 3806 of the Act, the Manager's duties (including fiduciary duties) and liabilities relating thereto to the Trust and the Owners shall be restricted to those duties (including fiduciary duties) expressly set forth in this Agreement and liabilities relating thereto. The Manager expressly reserves the right to invest in, pursue, develop, own, manage, operate or otherwise participate in all business opportunities of any nature for its own account, including opportunities that may directly or indirectly compete with the Trust or the Project.

5.3.2 Without limiting the generality of Section 5.3.1, upon and after the effective date of the Conversion Notice, the Manager is hereby authorized and directed, as agent of the Trust, to take each of the following actions as necessary to conserve and protect the Trust Estate:

- (a) comply with the terms of the Master Lease;
- (b) comply with the terms of the Loan Documents;
- (c) make, or cause to be made, any repairs necessary to maintain the Project;
- (d) collect rents and make distributions in accordance with Section 7;
- (e) enter into any agreement for purposes of enabling an Owner to complete a like-kind exchange;
- (f) notify the relevant parties of any default by them under the Transaction Documents;
- (g) solely to the extent necessitated by the bankruptcy or insolvency of the Master Tenant or any other tenant at the Project, if the Trust has not terminated under Section 9.2, enter into a new lease with respect to the Project or renegotiate or refinance any debt secured by the Project (including, without limitation, the Loan); and
- (h) any action that, in the opinion of tax counsel to the Trust, would not have an adverse effect on either the treatment of the Trust as an "investment trust" within the meaning of Treasury Regulations Section 301.7701-4(c) or of each Owner as a "grantor" within the meaning of Code Section 671.

The foregoing notwithstanding, on and after the effective date of the Conversion Notice, under no circumstances shall the power or authority of the Manager include the ability to take any action that would cause the Trust to cease to constitute an "investment trust" within the meaning of Treasury Regulations Section 301.7701-4(c). On and after the effective date of the Conversion Notice, the power and authority of the Manager shall be strictly and narrowly construed so as to preserve and protect the status of the Trust as an "investment trust" for federal income tax purposes.

5.3.3 The Manager shall keep customary and appropriate books and records relating to the Trust and the Trust Estate and shall certify such reports to the Lender if required by the Loan Documents. The Manager shall keep customary and appropriate books and records of account for the Trust at the Manager's principal place of business; provided, however, any inspection, examination and copying of the Trust's books and records (i) shall only be for any purpose reasonably related to the Owner's interest as an Owner of the Trust as determined by the Manager in the Manager's sole and absolute discretion and (ii) shall be limited to information regarding the business and financial condition of the Trust and shall specifically exclude any and all personal information with respect to the Owners, including, but not limited to, the names, addresses, email addresses and phone numbers of the Owners. The Owners may inspect, examine and copy the Trust's books and records other than any information related to any other Owner at any time during normal business hours. The Manager shall maintain appropriate books and records in order to provide reports of income and expenses with respect to the Trust Estate to each Owner as necessary for such Owner to prepare such Owner's income tax returns. Notwithstanding the foregoing, no Owner shall have the right to information regarding the other Owners and the Manager shall not disclose such information to any Owner and no personal information concerning any of the Owners, such as names and addresses, shall be disclosed by the Manager. Other than with respect to the limitations on the dissemination of Owner information provided herein, nothing in this Section 5.3.3 shall constitute a waiver or modification of any of the rights of the Manager provided in Section 3819 of the Act.

5.3.4 The Manager shall promptly furnish (i) to the Owners copies of all notices and other items required to be distributed to them pursuant to the Transaction Documents (unless the Manager believes them to have been sent directly to the Owners) and (ii) to the Lender all documents required by the Loan Documents.

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

5.3.6 The Manager shall not, on its own behalf (as opposed to actions that the Manager is required to perform on behalf of the Trust), have any duty to (i) (A) file, record or deposit any document, (B) maintain any filing, recording or deposit of any document or (C) refile, rerecord or redeposit any such document, (ii) obtain or maintain any insurance on the Project, (iii) maintain the Project, (iv) pay or discharge any tax levied against any part of the Trust Estate, (v) 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, (vi) inspect the Project at any time or (vii) ascertain or inquire as to the performance or observance of any of the covenants of any Person under the Loan Documents.

5.3.7 Subject to the other provisions of this Agreement, the Manager shall manage, control, dispose of or otherwise deal with the Trust Estate consistent with its duties to conserve and protect the Trust Estate.

5.3.8 The Manager shall provide to each Person who becomes an Owner a copy of this Agreement.

5.3.9 Upon written request by the Trustee, the Manager shall provide to the Trustee a copy of the Ownership Records.

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

5.3.11 All prior acts of the Manager relating to any filings or documents to permit the Trust to transact business in the state in which the Project is located, or otherwise relating to the organization of the Trust, are hereby ratified and approved.

5.4 Indemnification. The Trust, to the full extent of the Trust Estate, shall (i) reimburse the Manager for all reasonable expenses (including reasonable fees and expenses of counsel and other professionals) incurred in connection with the negotiation, execution, delivery, or performance of, or exercise of rights or powers under, this Agreement, (ii) to the fullest extent permitted by law, indemnify, defend and hold harmless the Manager and the officers, directors, employees, agents, managers and owners of the Manager (collectively, the “Manager Indemnified Persons”), from and against any and all losses, damages, liabilities, claims, actions, suits, costs, expenses, disbursements (including the reasonable fees and expenses of counsel and other professionals), taxes and penalties, of any kind and nature whatsoever, arising out of or imposed upon or asserted at any time against such Manager Indemnified Persons, including without limitation on the basis of ordinary negligence on the part of any such Manager Indemnified Person, with respect to or in connection with this Agreement, the Trust, or any transaction or document contemplated hereby (the “Manager Expenses”); provided, however, that the Trust shall not be required to indemnify a Manager Indemnified Person for any Manager Expenses to the extent such Manager Expenses result from the fraud, gross negligence or willful misconduct of any Manager Indemnified Person and (iii) to the fullest extent permitted by law, advance to each such Manager Indemnified Person, the Manager Expenses incurred by such Manager Indemnified Person in defending any claim, demand, action, suit or proceeding, in connection with this Agreement, the Trust, or any transaction or document contemplated hereby prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Trust of an undertaking, by or on behalf of such Manager Indemnified Person, to repay such amount unless a court of competent jurisdiction renders a final, nonappealable judgment that includes a specific finding of fact that such Manager Indemnified Person is not entitled to be indemnified therefor under this Section 5.4. The obligations of the Trust under this Section 5.4 shall survive the resignation or removal of the Manager and the termination, amendment, supplement and/or restatement of this Agreement.

5.5 Fees and Expenses. The Manager shall receive as compensation for its services hereunder the fees set forth on Exhibit E. The Manager shall not have any obligation by virtue of this Agreement to spend any of its own funds, or to take any action that could result in its incurring any cost or expense.

5.6 Sale of Trust Estate by Manager is Binding. Any sale or other conveyance of the Trust Estate or any part thereof by the Manager pursuant to the terms of this Agreement shall bind the Trust and the Owners and be effective to transfer or convey all rights, title and interest of the Trust and the Owners in and to the Trust Estate.

5.7 Removal; Resignation; Succession. The Manager may resign at any time by giving at least 60 days’ prior written notice to the Trustee. The Trustee may at any time remove the Manager for cause by written notice to the Manager. For purposes of this Section 5.7, “cause” shall result only from the fraud, gross negligence or willful misconduct of the Manager; provided that under no circumstances shall “cause” result from any action or omission of the Manager intended to preserve the rights of Owners to effect like-kind exchanges in respect of their respective Beneficial Interests. Such resignation or removal shall be effective upon the acceptance of appointment by a successor manager as hereinafter provided. In case of the removal or resignation of the Manager, the Trustee, with the prior written consent of the Lender, if required, may appoint a successor manager by written instrument. Notwithstanding anything to the contrary herein, if upon the resignation of the Manager it designates a successor Manager within 10 days of its notice of resignation, such designated Manager shall become the successor Manager without further action by the Trustee. If a successor manager shall not have been appointed within 60 days after the Manager gives notice of its resignation or is removed, the Trustee, or any of the Owners, may apply to any court of competent jurisdiction in the United States to appoint a successor manager to act until such time, if any, as

a successor manager shall have been appointed as provided above and provided that, if required, the consent of the Lender is obtained if the Loan is outstanding. Any successor manager so appointed by such court shall immediately and without further act be superseded by a successor manager appointed as provided above within one year from the date of the appointment by such court. Any successor manager, however appointed, shall execute and deliver to its predecessor Manager an instrument accepting such appointment, and thereupon such successor, without further act, shall become vested with all the rights, powers and duties of the predecessor Manager in the trusts hereunder with like effect as if originally named the Manager herein. Upon the written request of such successor manager, such predecessor Manager shall execute and deliver an instrument transferring to such successor, upon the trusts herein expressed, all the rights, powers and duties of such predecessor Manager. Any right of the Owners against a predecessor Manager in its individual capacity shall survive the resignation or removal of such predecessor Manager, the dissolution and termination of the Trust and the termination, amendment, supplement and/or restatement of this Agreement. Notwithstanding the above, the Manager may only be removed if the Manager and its Affiliates are removed from liability arising from any guaranties related to the Loan.

5.8 Rights and Powers of Class B Owner Prior to Conversion Notice. Prior to the effective date of the Conversion Notice, the Class B Owner shall have the right and power, in its sole discretion (but subject to the restrictions in Section 3), to:

5.8.1 Contribute additional assets to the Trust;

5.8.2 Cause the Trust to negotiate or renegotiate loans or leases; and

5.8.3 Cause the Trust to sell all or any portion of its assets and reinvest the proceeds of such sale or sales.

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

5.9 Issuance of Conversion Notice. The Class B Owner may, at any time in its sole discretion as long as any Class B Interests are outstanding, issue the Conversion Notice to the Manager, with a copy to the Trustee; provided, however, that the Conversion Notice must be issued no earlier than the Project Acquisition Date which Conversion Notice will cause the Trust to constitute an investment trust beginning on the effective date of the Conversion Notice. On the effective date of the Conversion Notice, the Class B Owner shall no longer have any of the rights or powers set forth in Section 5.8. Instead, the Class B Owner shall have the same rights and powers as apply to a Class A Owner (as set forth in Section 6.2). In no event may any Class A Interests be issued to Investors until at least the next Business Day after the Conversion Date.

5.10 Reports by Manager. The Manager shall furnish annual reports to each of the Owners as to the amounts of rent received from the Master Tenant, the expenses incurred by the Trust, the amount of any Reserves and other amounts applied to meet requirements under the Loan Documents, and the amount of cash distributed by the Trust to the Owners.

6. Beneficial Interests.

6.1 Confirmation of Purchase of Class A and Class B Interests.

6.1.1 On the Effective Date, 100% of the Class B Interests shall be issued to the Depositor in exchange for its contribution. The Percentage Share of the Class B Owner prior to the issuance of any Class A Interests shall be 100%.

6.1.2 No earlier than the next Business Day after the Conversion Date, a Class A Interest shall be issued to each Investor who has executed a Purchase Agreement, been accepted as an Investor by the Trust and contributed all cash required by it to be contributed to the Trust. No portion of the cash contributed by the Investors to the Trust will be placed into any Reserves with respect to the Project. The amount of cash contributed by, and the Percentage Share of, each Investor shall be determined by the Manager and shall be set forth in the Purchase Agreement for each Investor.

6.2 Rights and Powers of Class A Owners. The sole right of the Class A Owners shall be to receive distributions from the Trust as a result of the Trust's ownership or sale of the Project. The Class A Owners shall not have the right or power to direct in any manner the actions of the Trust, the Trustee, the Master Tenant, the Depositor or the Manager in connection with the management or operation of the Trust or the Project. The Class A Owners shall have no voting rights, including as to whether or not the Project is sold pursuant to this Agreement. In addition, the Class A Owners shall not have the right or power to:

6.2.1 Contribute additional assets to the Trust;

6.2.2 Cause the Trust to negotiate or renegotiate loans or leases; or

6.2.3 Cause the Trust to sell all or any portion of its assets and reinvest the proceeds of such sale or sales.

6.3 Contributions by the Class A Owners: Issuance of Class A Interests and Reduction in Class B Interest. All cash contributed by Investors in exchange for Class A Interests shall be used by the Trust to repurchase a corresponding portion of the Class B Interest then held by the Depositor. With respect to each contribution by a Class A Owner and related repurchase of a portion of the Class B Interest then held by the Depositor, the reduction of the Percentage Share of the Depositor shall be equal to the Percentage Share granted by the Trust to the contributing Class A Owner. All funds received by the Trust from the Investors shall be used to repurchase a corresponding portion of the Class B Interest then held by the Depositor, so that in no event may such repurchase result in a net increase or decrease in the corpus of the Trust.

The Manager agrees to use its best efforts to cause the Trust to sell all Class A Interests within 365 days from the Conversion Date. Any Class B Interests held by the Class B Owner on the one-year anniversary of the Conversion Date will convert to Class A Interests and the Class B Owner shall transfer such Class A Interests to a newly formed, separate taxpayer.

6.4 Agreement to be Bound. Any Owner shall be deemed, by virtue of executing the Signature Page to be bound by the provisions of this Agreement.

6.5 Ownership Records. The Manager shall at all times be the Person at whose office a request for transfer or for exchange and where notices and demands to or upon the Trust in respect of a Beneficial Interest may be served. The Manager shall keep Ownership Records, which shall include records of the transfer and exchange of Beneficial Interests. Notwithstanding any provision of this Agreement to the contrary, transfer of a Beneficial Interest in the Trust, or of any right, title or interest therein, shall occur only upon and by virtue of the entry of such transfer in the Ownership Records.

6.6 Restrictions on Transfer. Subject to compliance with applicable federal and state securities laws, the terms of this Agreement and any requirements in the Loan Documents, all or any portion of the Beneficial Interest of any Owner may be assigned or transferred without the prior consent of any of the Trust, the Trustee, the Depositor, the Manager and the other Owners. All expenses of any such transfer shall be paid by the assigning or transferring Owner. Any transfer that results in a violation of this Section 6.6 shall, to the fullest extent permitted by law, be null, void and of no effect whatsoever.

6.7 Conditions to Admission of New Owners. An assignee or transferee of the Beneficial Interest of an Owner shall only become an Owner upon such assignee's or transferee's written acceptance and adoption of this Agreement, as manifested by its execution and delivery to the Manager of a counterpart signature page substantially in the form of Exhibit C (the "Signature Page"). The Manager shall provide copies of such documents to the Trustee upon request.

6.8 Limit on Number of Owners. Notwithstanding anything to the contrary in this Agreement, (i) at no time shall the number of Owners exceed 480 Persons and (ii) at no time shall the Trust permit 25% or more of the Beneficial Interests to be acquired by retirement and other plans subject to ERISA. Any transfer that results in a violation of this Section 6.8 shall, to the fullest extent permitted by law, be null, void and of no effect whatsoever.

6.9 Representations, Warranties, Acknowledgements and Agreements of Owners.

6.9.1 Each Owner hereby accepts and reconfirms the representations and warranties contained in that certain Purchase Agreement, including but not limited to, Section 5 in the Purchase Agreement.

6.9.2 Each Owner hereby represents and warrants that (i) to the extent applicable, the execution, delivery and performance of this Agreement (A) has been duly authorized by such Owner, (B) does not require such Owner to obtain any consent or approval that has not been obtained and (C) does not contravene or result in a default under (1) any provision of any law or regulation applicable to such Owner, (2) the governing documents of such Owner or (3) any agreement or instrument to which such Owner is a party or by which such Owner is bound and (ii) this Agreement is valid, binding and enforceable against such Owner in accordance with its terms.

6.9.3 Each Owner hereby represents and warrants that it is (i) a citizen or resident of the U.S. (including certain former citizens and former long-term residents), (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S. or of any political subdivision thereof, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of the source of such income or (iv) a trust, if (A) the administration of the trust is subject to the primary supervision of a U.S. court and the trust has one or more U.S. persons with authority to control all substantial decisions or (B) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

6.9.4 Each Class A Owner hereby represents and warrants that it shall, for federal income tax purposes, report the purchase of its Class A Interest as a purchase by it of a direct ownership interest in the Project.

6.9.5 Each Owner hereby (i) acknowledges and agrees that it has no ability to (A) seek partition of the Trust Estate, a division of the Trust or petition for a portion of the assets of the Trust or (B) file, or consent to the filing of, a petition in bankruptcy on behalf of the Trust and (ii) consents that it shall not take any action that consents to, aids, supports, solicits or otherwise cooperates in the filing of an involuntary bankruptcy proceeding involving the Trust.

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

shall cause such Owner to have duties (including fiduciary duties) or liabilities relating thereto to the Trust or to any Owner.

6.11 Owners and the Trust. The Owners shall not have legal title to the Trust Estate. The death, incapacity, dissolution, termination or bankruptcy of any Owner shall not result in the termination or dissolution of the Trust. No Owner has (i) an interest in specific Trust property or (ii) except as expressly provided herein, any right to demand and receive from the Trust an in-kind distribution of the Trust Estate or any portion thereof. Each Owner expressly waives any right, if any, under the Act to seek a judicial dissolution of the Trust, to terminate the Trust or, to the fullest extent permitted by law, to seek a partition of the Trust Estate (or any portion thereof), a division of the Trust (or any portion thereof) or a transfer of the Trust property (or any portion thereof).

7. Distributions.

7.1 Distributions in General. The Manager shall distribute the Trust's net cash flow to the Owners in accordance with their Percentage Shares on a monthly basis (beginning with the second month after acquiring the Project), after (i) paying or reimbursing the Manager for any fees or expenses incurred by the Manager on behalf of the Trust (including fees of the Trustee and the Manager), (ii) retaining such additional amounts as the Manager determines are necessary to pay anticipated ordinary current and future Trust expenses and taxes ("Reserves") and (iii) satisfying debt service and related expenses on the Loan and any other requirements imposed under the Loan Documents. Reserves and any other cash retained pursuant to this Section 7.1 shall be invested by the Manager only in Permitted Investments. All amounts distributable to the Owners pursuant to this Agreement shall be paid by check or in immediately available funds by transfer to a banking institution with bank wire transfer facilities for the account of such Owner, as instructed from time to time by such Owner on or before the last Business Day of each calendar month.

7.2 Distributions upon Dissolution. In the event of the Trust's dissolution in accordance with Section 9, all of the Trust Estate as may then exist after the winding up of its affairs in accordance with the Act (including, without limitation, subsections (d) and (e) of Section 3808 of the Act) and providing for all costs and expenses, including any income or transfer taxes which may be assessed against the Trust, whether or not by reason of the dissolution of the Trust shall be distributed to those Persons (or on behalf of the Owners as set forth in Section 9.2) who are then Owners in proportion to their respective Percentage Shares. Upon winding up the affairs of the Trust, the Manager shall provide the Trustee written confirmation of the dissolution and the completion of winding up of the Trust and shall authorize and direct the Trustee to execute and file in the office of the Secretary of State a certificate of cancellation in accordance with the Act.

7.3 Cash and Other Accounts. Subject to the Loan Documents, the Manager shall be responsible for receiving all cash from the Master Tenant and placing such cash into one or more accounts as required under the distribution and investment obligations of the Trust under Section 7.1.

8. Reliance; Representations; Covenants.

8.1 Good Faith Reliance. Neither any Trustee nor the Manager shall incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably and in good faith believed by such Trustee or the Manager to be genuine and signed by the proper party or parties thereto. As to any fact or matter the manner of ascertainment of which is not specifically described herein, the Trustee and the Manager may for all purposes hereof rely on a certificate, signed by or on behalf of the Person executing such certificate, as to such fact or matter, and such certificate shall constitute full protection of the Trustee and/or the Manager for any action taken or omitted to be taken by them in good faith in reliance thereon. The Trustee and the Manager may conclusively rely upon any certificate furnished to such Person that on its face

conforms to the requirements of this Agreement. Each of the Trustee and the Manager may (i) exercise its powers and perform its duties by or through such attorneys and agents as it shall appoint with due care, and it shall not be liable for the acts or omissions of such attorneys and agents and (ii) consult with counsel and other experts, and shall be entitled to rely upon the advice of counsel and other experts, selected by it in good faith and shall be protected by the advice of such counsel and other experts in anything done or omitted to be done by it in accordance with such advice. In particular, no provision of this Agreement shall be deemed to impose any duty on any Trustee or the Manager to take any action if such Person shall have been advised by counsel that such action may involve it in personal liability or is contrary to the terms hereof or to applicable law. For all purposes of this Agreement, the Trustee shall be fully protected in relying upon the most recent Ownership Records delivered to the Trustee by the Manager.

8.2 No Representations or Warranties as to Certain Matters.

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

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

9. Termination.

9.1 Termination in General. The Trust shall not have perpetual existence and instead shall be dissolved and wound up in accordance with Section 3808 of the Act after the effective date of the Conversion Notice, upon the first to occur of (i) the Termination Date, (ii) a Transfer Distribution or (iii) the sale of the Project pursuant to Section 9.3, at which time each Owner's Percentage Share of the Trust Estate shall be distributed to such Owner in accordance with Section 7.2 in full and complete satisfaction and redemption of its Beneficial Interests.

9.2 Transfer Distribution.

9.2.1 Subject to the terms and conditions of the Loan Documents and, if applicable, Section 3.3, and upon

(a) (i) a determination by the Manager, in writing, that the dissolution of the Trust is necessary and appropriate to preserve and protect the Trust Estate for the benefit of the Owners because (A) the Master Tenant has failed to timely pay rent due under the Master Lease after the expiration of any applicable notice and cure provisions in the Master Lease, if any, (B) the Trust Estate is in jeopardy

of being lost due to a default on the Loan (and in the case of either foregoing clause (A) and/or (B), the Manager is prohibited pursuant to Section 3.2 from taking action that it believes necessary or appropriate to address such situation), (C) the Master Tenant files for bankruptcy, seeks appointment of a receiver, makes an assignment for the benefit of its creditors or there occurs any similar event, (D) the Trust Estate or any portion thereof is subject to a casualty, condemnation or similar event or (E) the Manager determines that it is necessary to take one of the actions enumerated in Section 3.2.3 to avoid the loss or potential loss of all or a portion of the Trust Estate or its value or (ii) the occurrence of a Master Lease Termination Event, then

(b) if the Loan, or any portion thereof, is outstanding, and written notice to the Lender is sent by the Manager via overnight courier or hand delivery in accordance with Section 10.6 at least 5 Business Days before the date of the intended action (“Lender’s Termination Notice”), the Trust shall dissolve and wind up in accordance with Section 3808 of the Act, and each Owner’s Percentage Share of the Trust Estate shall be distributed to such Owner in accordance with this Section 9.2 in full and complete satisfaction of their Beneficial Interests. Subject to the requirements of Section 3808 of the Act, as part of such liquidating distribution, and only in the event that a distribution would otherwise be made to the Owners under this Section 9.2, the Owners hereby irrevocably direct the Manager to transfer title to the assets comprising the Trust Estate, and subject to all Trust liabilities, on behalf of each Owner to a newly formed Delaware limited liability company (the “Springing LLC”) that has a limited liability company agreement substantially similar to that set forth on Exhibit D (the “LLC Agreement”) in complete satisfaction of their Beneficial Interests in order to consummate the dissolution of the Trust (such distribution, or, if applicable, a conversion pursuant to Section 9.2.2, a “Transfer Distribution”). The Springing LLC shall have the Owners as its members and the Manager as its manager. The limited liability company interests in the Springing LLC shall be issued to the Owners in proportion to their respective Percentage Shares of the Trust Estate. Within 30 days of any Transfer Distribution, each Owner shall provide information regarding such Owner’s tax basis in the applicable Interests in such form as reasonably requested by the Manager.

9.2.2 It is the express intent of this Agreement that the Trust will not terminate pursuant to a Transfer Distribution except in the circumstances enumerated above in Section 9.2.1, which the parties hereto agree constitute rare and unexpected situations in which such transfer and distribution will be necessary to prevent the loss of the Trust Estate due to such circumstances. If a determination has been made to terminate the Trust under Section 9.2.1, then, provided that (i) the Manager determines (with the advice of tax counsel which may include the receipt of an opinion in form and substance, and from tax counsel, satisfactory to the Manager, in its discretion) that a conversion of the Trust into a limited liability company would not adversely affect the status of the Trust prior to the conversion as an “investment trust” for income tax purposes, (ii) such alternative form of transaction is entered into to preserve and protect the Trust Estate and (iii) such conversion is permitted under the terms and conditions of the Loan Documents (or is otherwise consented to by the Lender), the Manager may effect the transaction contemplated by the Transfer Distribution as a conversion of the Trust into a limited liability company having a limited liability company agreement substantially similar to that set forth on Exhibit D (and the resulting limited liability company shall, for purposes of this Agreement, constitute the “Springing LLC”). In the case of such a conversion, the Springing LLC shall have the Owners as its members and the Manager as its manager, and the limited liability company interests in the Springing LLC shall be issued to the Owners in proportion to their respective Percentage Shares of the Trust Estate.

9.3 Sale of the Project.

9.3.1 The Trust may sell the Project (which for purposes of this Section 9.3 shall mean all of the underlying properties that comprise the Project) at any time after the Project has been held by the Trust for at least two years in the sole discretion of the Manager; provided, however, the Trust may sell the

Project at any time after the Effective Date in the event the Manager has made a determination, in its sole discretion, that an event has occurred which could significantly and adversely affect the Project, including, but not limited to, condemnation or casualty, which was not contemplated at the time the Trust acquired the Project. The Manager shall sell the Trust Estate, and is hereby authorized and directed to sell the Trust Estate, at any time after the second anniversary of the Conversion Date upon a determination by the Manager (in its sole discretion) that a sale of the Trust Estate is appropriate. In connection with any sale of the Project under this Section 9.3, the Manager shall be responsible for (i) providing notice to the Trustee that a sale of the Trust Estate is appropriate, (ii) conducting the sale of the Project and (iii) subject to Section 3808 of the Act, after paying all amounts due to the Trustee and Manager hereunder, and the Lender, if any, distributing the balance of the Trust Estate (net of any closing costs and fees due to the Manager) to the Owners in full and complete satisfaction of their Beneficial Interests. The Manager is expressly instructed to take all reasonable action that would enable the sale to qualify with respect to each Owner as a like-kind exchange within the meaning of Section 1031 of the Code. Any sale of the Project shall be on an “as is, where is” basis and without any representations or warranties by the Trust, any Trustee or the Manager (other than as to ownership of the Project and authority to enter into the sale). The Trust may engage third-party real estate brokers to assist in the sale of the Project and pay customary fees in addition to any fees paid pursuant to Section 9.5.

9.3.2 If the Manager is considering a sale of the Project, the Manager may provide written notice to the Class A Owners and solicit suggestions from the Class A Owners regarding the disposition of the Project. The failure to give any such notice to all or any of the Class A Owners will not be a default under this Agreement and will not in any way affect the authority of the Manager or the Trustee. The Manager will review and consider any responses from the Class A Owners. However, the Manager will have no obligation whatsoever to proceed in accordance with any suggestions of the Class A Owners and will retain the authority to determine in its sole discretion whether or not to sell the Project and the terms of any such sale.

9.3.3 The Trust may not sell the Project to an Affiliate of the Manager at a price below the value of the Project as determined by an independent third-party appraiser.

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

9.5 Manager’s Fee on Sale. The Manager shall receive the fees set forth on Exhibit E upon any sale of the Project under Section 9.3 (not including a sale in foreclosure). The Manager may also engage third-party real estate brokers to assist in the sale of the Project and the Manager will be required to pay such broker.

9.6 Certificate of Cancellation. Upon the completion of the dissolution and winding up of the Trust and upon receipt of a signed direction from the Manager, the Trustee shall, as appropriate, cancel the Certificate of Trust or reflect the conversion contemplated by Section 9.2.2 by executing and causing a certificate of cancellation or certificate of conversion to be filed in the office of the Secretary of State (as well as undertaking any other means then required under applicable law).

10. Miscellaneous.

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

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

10.3 Usage of Terms. With respect to all terms in this Agreement: (i) the singular includes the plural and the plural includes the singular, (ii) 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, (iii) references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein, (iv) references to Persons include their successors and permitted assigns and (v) the term “including” means “including without limitation.”

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

10.5 Amendments. To the fullest extent permitted by applicable law, neither this Agreement nor any term or provision hereof may be amended, supplemented, waived, discharged or terminated orally, but, subject to Section 3.3, only by a signed writing executed by and among the Manager and the parties adversely affected, if any.

10.6 Notices. All notices, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms hereof shall be in writing, and given by (i) overnight courier or (ii) hand delivery, and shall be deemed to have been duly given when received. Notices shall be provided to the parties at the addresses specified below.

If to the Depositor:

CP Maywood Depositor, LLC
1600 Dove Street, Suite 450
Newport Beach, CA 92660
Attention: Justin Morehead

with a copy to:

DLA Piper LLP (US)
4365 Executive Drive, Suite 1100
San Diego, CA 92121
Attention: Darryl Steinhouse, Esq.

If to the Manager:

CP Maywood Apartments Manager, LLC
1600 Dove Street, Suite 450
Newport Beach, CA 92660
Attention: Justin Morehead

with a copy to:

DLA Piper LLP (US)
4365 Executive Drive, Suite 1100
San Diego, CA 92121
Attention: Darryl Steinhouse, Esq.

If to the Trust: The Maywood Apartments
c/o CP Maywood Apartments Manager, LLC
1600 Dove Street, Suite 450
Newport Beach, CA 92660
Attention: Justin Morehead

If to the Trustee or
Independent Trustee: Delaware Trust Company
251 Little Falls Drive
Wilmington, DE 19808
Attention: Alan Halpern

If to the Lender: Arbor Commercial Funding I, LLC
3370 Walden Avenue, Suite 114
Depew, New York 14043
Attention: Loan Servicing

with a copy to:

Ballard Spahr LLP
1909 K Street NW, 12th Floor
Washington DC 20006
Attention: Dameon Rivers

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

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

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

10.8 Venue. Any action relating to or arising out of this Agreement shall be brought only in a court of competent jurisdiction located in Orange County, California.

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

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

10.11 Signature of Class A Owners. Each Investor will execute the Signature Page for Owners of the Trust in substantially the form set forth on Exhibit C in connection with its acquisition of Class A Interests. By executing this Agreement or the Signature Page, as applicable, each Owner hereby (x) acknowledges and agrees to be bound by the terms of this Agreement and the LLC Agreement when

and if the Springing LLC is formed and (y) in furtherance of the foregoing, hereby grants to the Manager (including any successor to the initial Manager named herein), a special and limited power of attorney, as the attorney-in-fact for such Investor, with full power and authority, in the name and on behalf of such Owner: (i) to execute and acknowledge, and to swear to the execution and acknowledgment of, the LLC Agreement and (ii) to execute and deliver such other documents, and to take such other acts, as are not inconsistent with the provisions of this Agreement and the Manager deems necessary or desirable for the purpose of effecting a Transfer Distribution and the formation and organization of the Springing LLC in connection therewith. The foregoing power of attorney may be exercised by the Manager, as manager of the Springing LLC, for such Owner by the signature of the Manager acting as attorney-in-fact for such Owner or by such other method as may be required or requested in connection with the recording or filing of any instrument or other document so executed. In light of such Owner's agreement to be bound by the LLC Agreement pursuant to this Section 10.11, each Owner hereby acknowledges and agrees that (i) such Owner shall be deemed to have executed the LLC Agreement when executed by its attorney-in-fact named herein and (ii) the LLC Agreement shall be fully enforceable against such Owner, notwithstanding the lack of such Owner's actual signature thereon.

[Signature Page Follows]

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

THE TRUSTEE AND INDEPENDENT TRUSTEE:

Delaware Trust Company, a Delaware corporation

By: 
Name: Alan R. Halpern
Title: Vice President

THE DEPOSITOR:

CP Maywood Depositor, LLC, a Delaware limited liability company

By: _____
Justin Morehead, President

THE DESIGNATED TRUSTEE (for the limited purpose set forth in Section 4.5):

Justin Morehead

THE MANAGER:

CP Maywood Apartments Manager, LLC, a Delaware limited liability company

By: _____
Justin Morehead, President

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

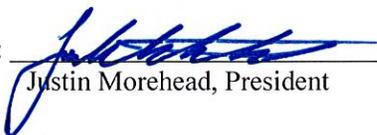
THE TRUSTEE AND INDEPENDENT TRUSTEE:

Delaware Trust Company, a Delaware corporation

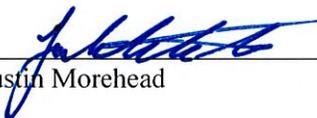
By: _____
Name: _____
Title: _____

THE DEPOSITOR:

CP Maywood Depositor, LLC, a Delaware limited liability company

By:  _____
Justin Morehead, President

THE DESIGNATED TRUSTEE (for the limited purpose set forth in Section 4.5):

 _____
Justin Morehead

THE MANAGER:

CP Maywood Apartments Manager, LLC, a Delaware limited liability company

By:  _____
Justin Morehead, President

EXHIBIT A

REAL ESTATE

For Tax Map ID(s): 208591000

Tract 1:

Lots One (1) through Fourteen (14), both inclusive, in Block One (1), of MAYWOOD PARK SECTION 1, an addition to the City of Oklahoma City, Oklahoma County, Oklahoma, according to the recorded plat thereof.

For Tax Map ID(s): 208592240

Tract 2:

Lot One (1), in Block Twelve (12) and Lots One (1) through Twelve (12), both inclusive, in Block Thirteen (13), of MAYWOOD PARK SECTION 1, an Addition to the City of Oklahoma City, Oklahoma County, Oklahoma, according to the recorded plat thereof.

and

A part of Block K, of MAYWOOD PARK SECTION 1, an Addition to the City of Oklahoma City, Oklahoma County, Oklahoma, according to the recorded plat thereof, being more particularly described as follows: Beginning at the Northwest corner of said Block K; thence South 89°50'01" East along the North line of said Block K, a distance of 27.03 feet to the Northeast corner of said Block K; thence South 00°00'54" West along the East line of said Block K, a distance of 99.79 feet; thence South 01°22'53" West along the East line of said Block K, a distance of 49.47 feet; thence North 89°14'01" West, a distance of 27.11 feet to a point on the West line of Block K, said point also being the Southeast corner of Block Thirteen (13) of said Maywood Park Addition Section I; thence North 00°45'59" East along the West line of said Block K, a distance of 82.32 feet; thence North 00°09'59" East along the West line of said Block K, a distance of 66.61 feet to the point of beginning.

EXHIBIT B
OWNERSHIP RECORDS
FOR
THE MAYWOOD APARTMENTS

Last Revised _____, 20__

<u>Name</u>	<u>Mailing Address</u>	<u>Phone Number</u>	<u>Class of Beneficial Interests</u>	<u>Number of Beneficial Interests</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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

CP Maywood Apartments Manager, LLC, not in its individual capacity, but solely as Manager

By: _____
Name: _____
Title: _____

EXHIBIT C
FORM OF SIGNATURE PAGE FOR
CLASS A OWNERS OF
THE MAYWOOD APARTMENTS

The undersigned has received and reviewed, with assistance from such legal, tax, investment, and other advisors and skilled persons as the undersigned has deemed appropriate, the Amended and Restated Trust Agreement of The Maywood Apartments dated December 30, 2021, by and among CP Maywood Depositor, LLC, a Delaware limited liability company, as Depositor, CP Maywood Apartments Manager, LLC, a Delaware limited liability company, as Manager, and Delaware Trust Company, a Delaware corporation, as Trustee (the "Trust Agreement"), as may be further amended or supplemented from time to time, and hereby covenants and agrees to be bound by the Trust Agreement as an Owner. All capitalized terms used herein, and not defined herein shall have the meanings given to such terms in the Trust Agreement.

In connection with the purchase of the Class A Interest, the undersigned hereby represents and warrants that the undersigned is:

- (a) (1) a citizen or resident of the U.S. (including certain former citizens and former long-term residents), (2) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S. or of any political subdivision thereof, (3) an estate, the income of which is subject to U.S. federal income taxation regardless of the source of such income or (4) a trust, if (i) the administration of the trust is subject to the primary supervision of a U.S. court and the trust has one or more U.S. persons with authority to control all substantial decisions or (ii) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person; and
- (b) an Accredited Investor, unless the undersigned is not required to be an Accredited Investor pursuant to the applicable state and federal securities laws (to be determined in the sole discretion of the Manager).

[Signature Page Follows]

If a Natural Person or Grantor Trust:

Signature: _____

Name: _____

Signature: _____

Name: _____

Address: _____

If other than a Natural Person:

Full Name of Entity: _____

Signature: _____

Name: _____

Title: _____

Signature: _____

Name: _____

Title: _____

Address: _____

EXHIBIT D

FORM OF LIMITED LIABILITY COMPANY AGREEMENT

LIMITED LIABILITY COMPANY AGREEMENT
OF
MAYWOOD APARTMENTS SPRINGING, LLC

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR BY THE SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS ANY COMMISSION OR AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF ANY DISCLOSURE MADE IN CONNECTION THEREWITH. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE SECURITIES OFFERED HEREBY MAY NOT BE RESOLD WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS OR EXEMPTION THEREFROM.

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EXHIBITS

EXHIBIT A – DEFINITIONS

EXHIBIT B – MEMBERS

LIMITED LIABILITY COMPANY AGREEMENT
OF
MAYWOOD APARTMENTS SPRINGING, LLC

This Limited Liability Company Agreement, effective this [___] day of [____], 20[___], is entered into by and among CP Maywood Apartments Manager, LLC, a Delaware limited liability company, as the Manager, and the parties set forth on Exhibit B hereto, as the Members, pursuant to the Act on the following terms and conditions.

WHEREAS, the Project and related assets were held by The Maywood Apartments, a Delaware statutory trust (the “Trust”);

WHEREAS, pursuant to the Trust Agreement, the Trust was liquidated and the assets and liabilities, including but not limited to the Loan and the Lease, were assigned to the Company by the Trust on behalf of each Beneficial Owner of the Trust; and

WHEREAS, each Beneficial Owner will receive in exchange for their share of the Trust Estate, and subject to the liabilities of the Trust, Units in proportion to their Percentage Share of the Trust Estate.

1. Organization.

1.1 Formation. On [____], 20[___], a Certificate of Formation was filed in the office of the Secretary of State of the state of Delaware in accordance with and pursuant to the Act.

1.2 Name and Place of Business. The name of the Company shall be “Maywood Apartments Springing, LLC”, and its principal place of business shall be 1600 Dove Street, Suite 450, Newport Beach, California 92660. The Manager may change such name, change such place of business or establish additional places of business of the Company as the Manager may determine to be necessary or desirable.

1.3 Business and Purpose of the Company. The Company’s business and purpose is to engage in the following activities:

1.3.1 To acquire, own, hold, lease, operate, manage, sell, transfer, service, convey, safekeep, dispose of, pledge, assign, borrow money against, finance, refinance or otherwise deal with, the Project to the extent permitted under the Loan Documents, and such activities as are necessary or incidental in connection therewith;

1.3.2 To enter into and perform its obligations under the Loan Documents;

1.3.3 To refinance the Project in connection with a permitted repayment or defeasance of the Loan; and

1.3.4 To engage in any lawful act or activity and to exercise any powers permitted to limited liability companies organized under the laws of the state of Delaware that are related or incidental to and necessary, convenient or advisable for the accomplishment of the above-mentioned purposes.

1.4 Term. The term of the Company shall commence on the effective date of this Agreement and shall terminate on December 31, 2060, unless the Company is sooner dissolved and terminated as provided in this Agreement.

1.5 Required Filings. The Manager shall execute, acknowledge, file, record, amend and/or publish such certificates and documents, as may be required by this Agreement or by law in connection with the formation and operation of the Company.

1.6 Registered Office and Registered Agent. The Company's initial registered office and initial registered agent shall be as provided in the Certificate of Formation. The registered office and registered agent may be changed from time to time by the Manager by filing the address of the new registered office and/or the name of the new registered agent pursuant to the Act.

1.7 Certain Transactions. Any Manager, Owner or any Affiliate thereof, or any shareholder, officer, director, employee, partner, member, manager or any Person owning an interest therein, may engage in or possess an interest in any other business or venture of any nature or description, whether or not competitive with the Company, including, but not limited to, the acquisition, syndication, ownership, financing, leasing, operation, maintenance, management, brokerage, construction and development of property similar to the Project and no Manager, Owner or any Affiliate, or other Person shall have any interest in such other business or venture by reason of their interest in the Company.

2. Definitions. Definitions for this Agreement are set forth on Exhibit A and are incorporated herein.

3. Capitalization and Financing.

3.1 Manager's Capital Contribution. The Manager shall not be required to make a Capital Contribution to the Company.

3.2 Members' Capital Contributions.

3.2.1 Members. Each Member shall contribute to the Company their respective interest in the assets of the Trust, which were distributed to such Member pursuant to the liquidation of the Trust, including but not limited to their undivided interest in the Project. As part of the liquidation of the Trust, the Trust has transferred the Trust Estate, subject to liabilities of the Trust, to the Company on behalf of each Beneficial Owner of the Trust. The Company will assume each Member's share of all liabilities and obligations attributable to their interest in the Trust, including but not limited to the Loan and the Lease. The Members shall receive Units in the Company in exchange for such transfer or upon a conversion of the Trust into this limited liability company.

3.2.2 Units. The Company is hereby authorized to issue 1,000 Units and to admit the persons who acquire such Units as Members. The Company shall issue 10 Units for each 1% of Beneficial Interest received by the Members and contributed to the Company by the Trust on behalf of the Members, with such ratio to be revised proportionally for partial percentages contributed to the Company. For example, if a Member held a 1.235% Beneficial Interest in the Trust and contributed 1.235% of the Trust assets subject to applicable liabilities, the Member will receive 12.35 Units.

3.2.3 Manager or its Affiliates as Member. The Manager and/or its Affiliates may acquire Units upon the same terms and conditions as all other Members. As a result, the Manager or its Affiliates may be admitted to the Company as Members with respect to such Units and would be entitled to all rights as Members appurtenant thereto, including but not limited to the right to vote on certain Company matters as provided for in this Agreement and to receive Distributions and allocations attributable to such Units.

3.2.4 Admission of a Member. To the extent required by law, the Manager shall amend this Agreement and take such other action as the Manager deems necessary or appropriate promptly after

receipt of the Members' Capital Contributions to the Company to reflect the admission of those Persons to the Company as Members.

3.2.5 Liabilities of Members. Except as specifically provided in this Agreement, neither the Manager nor any Member shall be required to make any additional contributions to the Company and no Manager or Member shall be liable for the debts, liabilities, contracts or any other obligations of the Company, by reason of being a Manager or Member of the Company, nor shall the Manager or the Members be required to lend any funds to the Company or to repay to the Company, the Manager or any Member, or any creditor of the Company any portion or all of any deficit balance in a Member's Capital Account.

3.3 Manager Loans. The Manager and its Affiliates may, but will have no obligation to, make loans to the Company. Any such loan shall bear interest at the actual cost of funds to the Manager and provide for the payment of principal and any accrued but unpaid interest in accordance with the terms of the promissory note evidencing such loan, but in no event later than the dissolution of the Company.

3.4 Company Loans. The Company may obtain or assume, in the sole discretion of the Manager, loans for the benefit of the Company.

4. Allocation of Tax Items.

4.1 Allocation of Net Income and Net Loss. For each fiscal year, the Net Income and Net Loss of the Company shall be allocated as follows:

4.1.1 Net Income. After giving effect to the special allocations set forth in Sections 4.2 and 4.3, Net Income for any fiscal year shall be allocated as follows:

(a) First, to the Members in proportion to and to the extent of Net Loss previously allocated to the Members pursuant to Section 4.1.2(b) until the aggregate Net Income allocated to the Members pursuant to this Section 4.1.1(a) for such fiscal year and all previous fiscal years is equal to the aggregate Net Loss allocated to the Members pursuant to Section 4.1.2(b) for all previous fiscal years;

(b) Second, to the Members in proportion to their Units.

4.1.2 Net Loss. After giving effect to the special allocations set forth in Sections 4.2 and 4.3, Net Loss for any fiscal year shall be allocated as follows:

(a) First, to the Members in proportion to and to the extent of Net Income allocated to the Members under Section 4.1.1(b) until the aggregate Net Loss allocated pursuant to this Section 4.1.2(a) for such fiscal year and all previous fiscal years equals the aggregate Net Income allocated to the Members pursuant to Section 4.1.1(b) for all previous fiscal years; provided that Net Loss shall not be allocated to any Member to the extent such allocation would cause such Member to have an Adjusted Capital Account Deficit at the end of a fiscal year;

(b) Second, to the Members in proportion to their Units.

4.2 Special Allocations.

4.2.1 Qualified Income Offset. Except as provided in Section 4.2.3, in the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient

to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit created by such adjustment, allocation or distribution as quickly as possible.

4.2.2 Gross Income Allocation. Net Loss shall not be allocated to any Member to the extent such allocation would cause such Member to have an Adjusted Capital Account Deficit at the end of a fiscal year. In the event any Member has an Adjusted Capital Account Deficit at the end of any fiscal year, each such Member shall be specially allocated items of Company gross income and gain in the amount of such Adjusted Capital Account Deficit as quickly as possible.

4.2.3 Minimum Gain Chargeback. Notwithstanding any other provision of this Section 4, if there is a net decrease in Company Minimum Gain during any Company fiscal year, each Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g)(2). This Section 4.2.3 is intended to comply with the partnership minimum gain chargeback requirement in the Treasury Regulations and shall be interpreted consistently therewith. This provision shall not apply to the extent the Member's share of net decrease in Company Minimum Gain is caused by a guaranty, refinancing, or other change in the debt instrument causing it to become partially or wholly recourse debt or Member Nonrecourse Debt, and such Member bears the economic risk of loss (within the meaning of Treasury Regulations Section 1.752-2) for the newly guaranteed, refinanced or otherwise changed debt or to the extent the Member contributes cash to the capital of the Company that is used to repay the Nonrecourse Debt, and the Member's share of the net decrease in Company Minimum Gain results from the repayment.

4.2.4 Member Minimum Gain Chargeback. Notwithstanding any other provision of this Section 4, except Section 4.2.3, if there is a net decrease in Member Minimum Gain, any Member with a share of that Member Minimum Gain (as determined under Treasury Regulations Section 1.704-2(i)(5)) as of the beginning of the year shall be allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g)(2). This Section shall not apply to the extent the net decrease in Member Minimum Gain arises because the liability ceases to be Member Nonrecourse Debt due to conversion, refinancing or other change in a debt instrument that causes it to become partially or wholly a Nonrecourse Debt. This Section is intended to comply with the partner minimum gain chargeback requirements in the Treasury Regulations and shall be interpreted consistently therewith and applied with the restrictions attributable thereto.

4.2.5 Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year or other period shall be allocated to the Members in proportion to their Units. A Member's "interest in partnership profits" for purposes of determining its share of the excess nonrecourse liabilities of the Company within the meaning of Treasury Regulations Section 1.752-3(a)(3) shall be such Member's percentage interest in the Company; provided, however, with respect to the Units issued for Property, excess nonrecourse liability shall first be allocated to the Members who contributed the applicable Property to the extent of any built-in gain with respect to such Property that is attributable to such Member pursuant to Code Section 704(c) to the extent debt attributable to such gain has not previously been allocated to such Member pursuant to Treasury Regulations Section 1.752-3(a)(2).

4.2.6 Member Nonrecourse Deductions. Member Nonrecourse Deductions for any fiscal year shall be allocated to the Member who bears the economic risk of loss as set forth in Treasury Regulations Section 1.752-2 with respect to the Member Nonrecourse Debt. If more than one Member bears the economic risk of loss for a Member Nonrecourse Debt, any Member Nonrecourse Deductions attributable to that Member Nonrecourse Debt shall be allocated among the Members according to the ratio in which they bear the economic risk of loss.

4.2.7 Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Treasury Regulations.

4.3 Curative Allocations. Notwithstanding any other provision of this Agreement, the Regulatory Allocations shall be taken into account in allocating items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

4.4 Contributed Property. Notwithstanding any other provision of this Agreement, the Manager shall cause depreciation and/or cost recovery deductions and gain or loss attributable to Property contributed by a Member or revalued by the Company to be allocated among the Members for income tax purposes in accordance with Code Section 704(c) and the Treasury Regulations promulgated thereunder.

4.5 Recapture Income. The portion of each Member's distributive share of Net Income that is characterized as ordinary income pursuant to Code Sections 1245 or 1250 shall be proportionate to the amount of Net Income or Net Loss which included the corresponding depreciation deductions that were allocated to such Member as compared with the amount of depreciation deductions allocated to all Members.

4.6 Allocation Among Units. Except as otherwise provided in this Agreement, all Distributions and allocations made to the Members shall be in the ratio of the number of Units held by each such Member on the date of such allocation (which allocation date shall be deemed to be the last day of each month) to the total outstanding Units as of such date, and, except as otherwise provided in this Agreement without regard to the number of days during such month that the Units were held by each Member. Members who acquire Units at different times during the Company tax year shall be allocated Net Income and Net Loss using the monthly convention set forth in Section 4.8. For purposes of this Section 4 and Section 5, an Economic Interest Owner shall be treated as a Member.

4.7 Allocation of Company Items. Except as otherwise provided herein, whenever a proportionate part of Net Income or Net Loss is allocated to a Member, every item of income, gain, loss or deduction entering into the computation of such Net Income or Net Loss, and every item of credit or tax preference related to such allocation and applicable to the period during which such Net Income or Net Loss was realized shall be allocated to the Member in the same proportion.

4.8 Assignment. In the event of the assignment of a Unit, the Net Income and Net Loss shall be allocated as between the Member and its assignee based upon the number of months of their respective ownership during the year in which the assignment occurs, without regard to the results of the Company's operations during the period before or after such assignment. Distributions shall be made to the holder of record of the Units as of the date of the Distribution. An assignee who receives Units during the first 15 days of a month will receive any allocations relative to such month. An assignee who acquires Units on or after the 16th day of a month will be treated as acquiring the Units on the first day of the following month.

4.9 Power of Manager to Vary Allocations. It is the intent of the Members that each Member's share of Net Income and Net Loss be determined and allocated in accordance with Code Section 704(b) and the provisions of this Agreement shall be so interpreted. Therefore, if the Company is advised by the

Company's legal counsel that the allocations provided in this Section 4 are unlikely to be respected for federal income tax purposes, the Manager is hereby granted the power to amend the allocation provisions of this Agreement to the minimum extent necessary to comply with Code Section 704(b) and effect the plan of allocations and Distributions provided for in this Agreement.

4.10 Consent of Members. The allocation methods of Net Income and Net Loss are hereby expressly consented to by each Member as a condition of becoming a Member.

4.11 Withholding Obligations.

4.11.1 If the Company is required (as determined by the Manager) to make a payment ("Tax Payment") with respect to any Member to discharge any legal obligation of the Company or the Manager to make payments to any governmental authority with respect to any federal, foreign, state or local tax liability of such Member arising as a result of such Member's interest in the Company, then, notwithstanding any other provision of this Agreement to the contrary, the amount of any such Tax Payment shall be deemed to be a loan by the Company to such Member, which loan shall bear interest at the Prime Rate and be payable upon demand or by offset to any Distribution which otherwise would be made to such Member.

4.11.2 If and to the extent the Company is required to make any Tax Payment with respect to any Member, or elects to make payment on any loan described in Section 4.11.1 by offset to a Distribution to a Member, either (i) such Member's proportionate share of such Distribution shall be reduced by the amount of such Tax Payment or offset or (ii) such Member shall pay to the Company prior to such Distribution an amount of cash equal to such Tax Payment or offset. In the event a portion of a Distribution in kind is retained by the Company pursuant to clause (i) above, such retained Property may, in the discretion of the Manager, either (A) be distributed to the other Members or (B) be sold by the Company to generate the cash necessary to satisfy such Tax Payment. If the Property is sold, then for purposes of income tax allocations only under this Agreement, any gain or loss from such sale or exchange shall be allocated to the Member to whom the Tax Payment relates. If the Property is sold at a gain, and the Company is required to make any Tax Payment on such gain, the Member to whom the gain is allocated shall pay the Company prior to the due date of the Tax Payment an amount of cash equal to such Tax Payment.

4.11.3 The Manager shall be entitled to hold back any Distribution to any Member to the extent the Manager believes in good faith that a Tax Payment will be required with respect to such Member in the future and the Manager believes that there will not be sufficient subsequent Distributions to make such Tax Payment.

5. Distributions.

5.1 Cash From Operations. Except as otherwise provided in Section 13, Cash From Operations with respect to each calendar year shall be distributed to the Members in proportion to their Units.

5.2 Restrictions. The Company intends to make periodic Distributions of substantially all cash determined by the Manager to be distributable, subject to the following: (i) Distributions may be restricted or suspended for periods when the Manager determines in its reasonable discretion that it is in the best interest of the Company and (ii) all Distributions are subject to the payment, and the maintenance of reasonable reserves for payment, of Company obligations.

6. Compensation to the Manager and its Affiliates.

6.1 Manager's and Affiliates' Compensation. The Manager and its Affiliates shall receive as compensation from the Company for services rendered or to be rendered only as specified in this Agreement. Neither the Manager nor its Affiliates shall have any obligation by virtue of this Agreement to spend any of its own funds, or to take any action that could result in its incurring any cost or expense. The Manager, on behalf of the Company, can enter into contracts with the Manager or its Affiliates or any other party to property manage, lease or refinance the Project at market rates.

6.1.1 The Manager or an Affiliate shall be entitled to receive an annual management fee of \$20,000, payable monthly.

6.1.2 The Manager or an Affiliate will enter into a property and asset management agreement with the Company with respect to the Project and shall be entitled to receive market compensation for its services in managing, leasing, financing, overseeing construction and disposing of the Project.

6.1.3 The Manager or an Affiliate shall be entitled to receive a disposition fee equal to 3.75% of the gross sales price of the Project. Any fees due to an outside third-party broker will be paid by the Manager or its Affiliate.

6.2 Company Expenses.

6.2.1 Operating Expenses. Subject to the limitations set forth in Section 6.2.2., the Company shall pay directly, or reimburse the Manager as the case may be, for all of the costs and expenses of the Company's operations, formation and termination. The Company shall pay any fees owed to third-party real estate brokers in addition to any fees paid pursuant to Section 6.1.

6.2.2 Manager Overhead. Except as set forth in this Section 6, the Manager and its Affiliates shall not be reimbursed for overhead expenses incurred in connection with the Company.

7. Authority and Responsibilities of the Manager.

7.1 Management. The business and affairs of the Company shall be managed by the Manager. Except as otherwise set forth in this Agreement, the Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business.

7.2 Number, Tenure and Qualifications. The Company shall have one Manager, which shall be CP Maywood Apartments Manager, LLC, a Delaware limited liability company. The Manager shall hold office until such Manager is removed or withdraws or resigns as set forth in this Agreement.

7.3 Manager Authority. The Manager shall have all authority, rights and powers conferred by law (subject to Section 7.4 and Section 8.2, if required) and those required or appropriate to the management of the Company's business, which, by way of illustration but not by way of limitation, shall include the right, authority and power to cause the Company to:

7.3.1 Enter into any limited liability company agreement, partnership agreement or other operating agreement with a joint venture partner;

7.3.2 Acquire, hold, develop, lease, rent, operate, sell, exchange, subdivide and otherwise dispose of Property including the Project;

7.3.3 Borrow money, and, if security is required therefor, to pledge or mortgage or subject Property to any security device, to obtain replacements of any mortgage or other security device and to prepay, in whole or in part, refinance, increase, modify, consolidate, or extend any mortgage or other security device. All of the foregoing shall be on such terms and in such amounts as the Manager, in its sole discretion, deems to be in the best interest of the Company;

7.3.4 Place record title to, or the right to use, Property in the name or names of a nominee or nominees for any purpose convenient or beneficial to the Company;

7.3.5 Enter into such contracts and agreements as the Manager determines to be reasonably necessary or appropriate in connection with the Company's business and purpose including asset management, property management, leasing, refinancing, or sale (including contracts with Affiliates of the Manager), and any contract of insurance that the Manager deems necessary or appropriate for the protection of the Company and the Manager, including errors and omissions insurance, for the conservation of Company assets, or for any purpose convenient or beneficial to the Company;

7.3.6 Employ Persons, who may be Affiliates of the Manager, in the operation and management of the business of the Company;

7.3.7 Prepare or cause to be prepared reports, statements, and other relevant information for distribution to the Members;

7.3.8 Open accounts and deposit and maintain funds in the name of the Company in banks, savings and loan associations, "money market" mutual funds and other instruments as the Manager may deem in its discretion to be necessary or desirable;

7.3.9 Cause the Company to make or revoke any of the elections referred to in the Code (the Manager shall have no obligation to make any such elections);

7.3.10 Select as the Company's accounting year a calendar or fiscal year as may be approved by the Internal Revenue Service (the Company initially intends to adopt the calendar year);

7.3.11 Determine the appropriate accounting method or methods to be used by the Company;

7.3.12 In addition to any amendments otherwise authorized herein, amend this Agreement without any action on the part of the Members by special or general power of attorney or otherwise:

(a) To add to the representations, duties, services or obligations of the Manager or its Affiliates, for the benefit of the Members;

(b) To cure any ambiguity or mistake, to correct or supplement any provision herein that may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Agreement that will not be inconsistent with the provisions of this Agreement;

(c) To amend this Agreement to reflect the addition or substitution of the Members or the reduction of the Capital Accounts upon the return of capital to the Members;

(d) To minimize the adverse impact of, or comply with, any final regulation of the United States Department of Labor, or other federal agency having jurisdiction, defining “plan assets” for ERISA purposes;

(e) To reconstitute the Company under the laws of another state if beneficial;

(f) To execute, acknowledge and deliver any and all instruments to effectuate the foregoing, including the execution, acknowledgment and delivery of any such instrument by the attorney-in-fact for the Manager under a special or limited power of attorney, and to take all such actions in connection therewith as the Manager shall deem necessary or appropriate with the signature of the Manager acting alone; and

(g) To make any changes to this Agreement as requested or required by any lender or potential lender which may be required to obtain financing, including, but not limited to, complying with any special purpose entity requirements.

7.3.13 Require in any Company contract that the Manager shall not have any personal liability, but that the Person contracting with the Company is to look solely to the Company and its assets for satisfaction;

7.3.14 Lease personal property for use by the Company;

7.3.15 Establish reserves from income in such amounts as the Manager may deem appropriate;

7.3.16 Make secured or unsecured loans to the Company and receive interest at the rates set forth herein;

7.3.17 Represent the Company and the Members as the “partnership representative” within the meaning of the Code in discussions with the Internal Revenue Service regarding the tax treatment of items of Company income, loss, deduction or credit, or any other matter reflected in the Company’s returns, and, to agree to final Company administrative adjustments or file a petition for a readjustment of the Company items in question with the applicable court;

7.3.18 Hold an election for a successor Manager before the resignation, expulsion or dissolution of the Manager;

7.3.19 Initiate legal actions, settle legal actions and defend legal actions on behalf of the Company;

7.3.20 Admit itself as a Member;

7.3.21 Enter into any transaction with any partnership or venture;

7.3.22 Merge or combine the Company or “roll-up” the Company into a partnership, limited liability company or other entity with a Majority Vote;

7.3.23 Place all or a portion of the Project in a single purpose or bankruptcy remote entity, or otherwise structure or restructure the Company to accommodate any financing for all or a portion of the Project;

7.3.24 Appoint officers of the Company as set forth in Section 7.10 of this Agreement;

7.3.25 Perform any and all other acts which the Manager is obligated to perform hereunder; and

7.3.26 Execute, acknowledge and deliver any and all instruments to effectuate the foregoing, and take all such actions in connection therewith as the Manager may deem necessary or appropriate. Any and all documents or instruments may be executed on behalf and in the name of the Company by the Manager.

7.4 Restrictions on Manager's Authority. Neither the Manager nor any of its Affiliates shall have authority, without a Majority Vote, to:

7.4.1 Enter into contracts with the Company that would bind the Company after the expulsion, Event of Insolvency, or other cessation to exist of the Manager, or to continue the business of the Company after the occurrence of such event;

7.4.2 Use or permit any other Person to use Company funds or assets in any manner except for the exclusive benefit of the Company;

7.4.3 Alter the primary purpose of the Company;

7.4.4 Receive from the Company a rebate or give-up or participate in any reciprocal business arrangements which would enable it or any Affiliate to do so;

7.4.5 Sell or lease to the Company any real property in which the Manager or any Affiliate has any interest without a Majority Vote; and

7.4.6 Admit another Person as the Manager, except with the consent of the Members as provided in this Agreement.

7.5 Responsibilities of the Manager. The Manager shall:

7.5.1 Have the responsibility for the safekeeping and use of all the funds and assets of the Company;

7.5.2 Devote such of its time and business efforts to the business of the Company as it shall in its discretion, exercised in good faith, determine to be necessary to conduct the business of the Company;

7.5.3 File and publish all certificates, statements, or other instruments required by law for formation, qualification and operation of the Company and for the conduct of its business in all appropriate jurisdictions;

7.5.4 Cause the Company to be protected by public liability, property damage and other insurance determined by the Manager in its discretion to be appropriate to the business of the Company;

7.5.5 At all times use its best efforts to meet applicable requirements for the Company to be taxed as a partnership and not as an association taxable as a corporation; and

7.5.6 Amend this Agreement to reflect the admission of the Members not later than 90 days after the date of admission or substitution.

7.6 Administration of Company. So long as it is the Manager and the provisions of this Agreement for compensation and reimbursement of expenses of the Manager are observed, the Manager

shall have the responsibility of providing continuing administrative and executive support, advice, consultation, analysis and supervision with respect to the functions of the Company, including decisions regarding refinancing and sale or other disposition of the Project and compliance with federal, state and local regulatory requirements and procedures. In this regard, the Manager may retain the services of its Affiliates or unaffiliated parties as the Manager may deem appropriate to provide management and financial consultation and advice, and may enter into agreements for the management and operation of Company assets. The Manager shall have no other fiduciary or other duties or obligations to the Company or the Members except as set forth in this Agreement.

7.7 Indemnification of the Manager and Officers.

7.7.1 The Manager, its owners, Affiliates, officers, directors, partners, managers, employees, agents, assigns, principals, trustees and any officers of the Company, shall not be liable for, and shall be indemnified and held harmless (to the extent of the Company's Property) from, any loss or damage incurred by them, the Company or the Members in connection with the business of the Company, including costs, expenses and reasonable attorneys' fees and any amounts expended in the settlement of any claims of loss or damage resulting from any act or omission performed or omitted in good faith, which shall not constitute fraud, gross negligence or willful misconduct, pursuant to the authority granted, to promote the interests of the Company. Moreover, neither the Manager nor any officer of the Company shall be liable to the Company or the Members because any taxing authorities disallow or adjust any deductions or credits in the Company's income tax returns.

7.7.2 Notwithstanding Section 7.7.1, the Company shall not indemnify the Manager or its owners, Affiliates, officers, directors, partners, managers, employees, agents, assigns, principals, trustees and any officers of the Company, for liability imposed or expenses incurred in connection with any claim arising out of a violation of the Securities Act of 1933, or any other federal or state securities law, with respect to the offer and sale of the Units. Indemnification will be allowed for settlements and related expenses in lawsuits alleging securities law violations, and for expenses incurred in successfully defending such lawsuits, provided that (i) the applicable party is successful in defending the action, (ii) the indemnification is specifically approved by the court of law which shall have been advised as to the current position of the Securities and Exchange Commission (as to any claim involving allegations that the Securities Act of 1933 was violated) or the applicable state authority (as to any claim involving allegations that the applicable state's securities laws were violated) or (iii) in the opinion of counsel for the Company, the right to indemnification has been settled by controlling precedent.

7.7.3 The Members acknowledge that the Manager may own Units and it shall not be a breach of any fiduciary duty or fiduciary obligation or any other duty or obligation if the Manager votes its Units in its own best interest with respect to any Majority Vote.

7.7.4 Neither the Manager nor any of its Affiliates shall have any obligation to cause the Company to take any action that would result in personal liability to the Manager, its principals or any of its Affiliates in their capacity as obligator or guarantor of any loan that is obtained or assumed by the Company, notwithstanding that the failure to take any such action might result in the total or partial loss of the Company's interest in some or all of the Company's Property. Such action may include transferring the Project to a lender pursuant to a deed in lieu of foreclosure. Any action or inaction by the Manager or any of its Affiliates that is intended to avoid personal liability under any obligation or guaranty related to a loan that is obtained or assumed by the Company will not constitute a breach of any fiduciary or other duty that the Manager or its Affiliates may owe the Company or the Members.

7.8 No Personal Liability for Return of Capital. The Manager shall not be personally liable or responsible for the return or repayment of all or any portion of the Capital Contribution of any Member or any loan made by any Member to the Company, it being expressly understood that any such return of capital

or repayment of any loan shall be made solely from the assets (which shall not include any right of contribution from any Member) of the Company.

7.9 Authority as to Third Persons.

7.9.1 No third party dealing with the Company shall be required to investigate the authority of the Manager or officers of the Company or secure the approval or confirmation by any Member of any act of the Manager in connection with the Company's business. No purchaser of any Property owned by the Company shall be required to determine the right to sell or the authority of the Manager to sign and deliver any instrument of transfer on behalf of the Company, or to see to the application or distribution of revenues or proceeds paid or credited in connection therewith.

7.9.2 The Manager shall have full authority to execute on behalf of the Company any and all agreements, contracts, conveyances, deeds, mortgages and other instruments, and the execution thereof by the Manager, executing on behalf of the Company shall be the only execution necessary to bind the Company thereto. Any officer appointed by the Manager pursuant to Section 7.11 shall have full authority to execute on behalf of the Company any agreements, contracts, conveyances, deeds, mortgages and other instruments, to the extent such authority is delegated by the Manager to such officer, and the execution thereof by such officer, executing on behalf of the Company shall be the only execution necessary to bind the Company thereto. No signature of any Member shall be required.

7.9.3 The Manager shall have the right by separate instrument or document to authorize one or more Persons to execute leases and lease-related documents on behalf of the Company and any leases and documents executed by such agent shall be binding upon the Company as if executed by the Manager.

7.10 Officers of the Company.

7.10.1 The Manager, in its sole discretion, may appoint officers of the Company at any time. The officers of the Company, if appointed by resolution of the Manager, may include a president, vice president, secretary, and treasurer. The officers shall serve at the pleasure of the Manager. Any individual may hold any number of offices. The Manager's officers may serve as officers of the Company if appointed by resolution of the Manager. The officers shall exercise such powers and perform such duties as determined and authorized by the Manager.

7.10.2 Any officer may be removed, either with or without cause, by the Manager at any time. Any officer may resign at any time by giving written notice to the Manager. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Company under any contract to which the officer is a party.

7.11 Special Purpose Entity Provisions.

7.11.1 This Section 7.11 is intended to qualify the Company as a "special purpose entity" for purposes of the Loan. So long as any portion of the Loan is outstanding the provisions of this Section 7.11 shall be in full force and effect and the Company shall comply with the requirements set forth below for a "Special Purpose Entity;" provided, however, that the provisions of this Section 7.11 shall cease to be of force or effect upon the repayment or defeasance of the Loan in full, in accordance with the Loan Documents.

7.11.2 "Special Purpose Entity" shall mean a Delaware limited liability company that at all times on and after the date hereof:

(a) [To be added]

8. Rights, Authority and Voting of the Members.

8.1 Members Are Not Agents. Pursuant to Section 7, the management of the Company is vested in the Manager. No Member, acting solely in the capacity of a Member, is an agent of the Company nor can any Member in such capacity bind nor execute any instrument on behalf of the Company.

8.2 Voting by the Members. Members shall be entitled to cast one vote for each Unit they own. Except as otherwise specifically provided in this Agreement, Members (but not Economic Interest Owners) shall have the right to vote only upon the following matters:

8.2.1 Removal of a Manager as provided in Section 9.2;

8.2.2 Admission of the Manager or election to continue the business of the Company after the Manager ceases to be the Manager when there is no remaining Manager;

8.2.3 Amendment of this Agreement (unless otherwise provided for herein);

8.2.4 Any merger or combination of the Company or roll-up of the Company;

8.2.5 Dissolution and winding up of the Company as set forth in Section 13.1; and

8.2.6 Election to continue the business of the Company as set forth in Section 13.1.2.

8.3 Member Vote; Consent of Manager. Except for the Majority Votes required pursuant to Sections 8.2.1, 8.2.2, 8.2.6, 8.4.3, 9.1, 9.2, 9.3, 9.4, 10.1, 10.1.3, 10.1.4 and 13.3 or as specifically provided in this Agreement which provisions shall only require a Majority Vote, matters upon which the Members may vote shall require a Majority Vote and the consent of the Manager to pass and become effective.

8.4 Meetings of the Members. The Manager may at any time call for a meeting of the Members, or for a vote without a meeting, on matters on which the Members are entitled to vote, and shall call for such a meeting (but not a vote without a meeting) following receipt of a written request therefor of Members holding more than 10% of the Units entitled to vote as of the record date. Within 20 days after receipt of such request, the Manager shall notify all Members of record on the record date of the Company meeting.

8.4.1 Notice. Written notice of each meeting shall be given to each Member entitled to vote, either personally or by mail or other means of written communication, charges prepaid, addressed to such Member at its address appearing on the books of the Company or given by it to the Company for the purpose of notice or, if no such address appears or is given, at the principal executive office of the Company, or by publication of notice at least once in a newspaper of general circulation in the county in which such office is located. All such notices shall be sent not less than 10, nor more than 60, days before such meeting. The notice shall specify the place, date and hour of the meeting and the general nature of business to be transacted, and no other business shall be transacted at the meeting.

8.4.2 Adjourned Meeting and Notice Thereof. When a Members' meeting is adjourned to another time or place, notice need not be given of the subsequent meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the subsequent meeting, the Company may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 45 days or if after the adjournment a new record date is fixed for the subsequent meeting, a notice of the subsequent meeting shall be given to each Member of record entitled to vote at the meeting.

8.4.3 Quorum. The presence in person or by proxy of the Persons entitled to vote a majority of the Units shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a Majority Vote or such greater vote as may be required by this Agreement or by law. In the absence of a quorum, any meeting of Members may be adjourned from time to time by the vote of a majority of the Units represented either in person or by proxy, but no other business may be transacted, except as provided above.

8.4.4 Consent of Absentees. The transactions of any meeting of Members, however called and noticed and wherever held, are as valid as though they occurred at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the Persons entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of the meeting or an approval of the minutes thereof. All waivers, consents and approvals shall be filed with the Company records or made a part of the minutes of the meeting.

8.4.5 Action Without Meeting. Except as otherwise provided in this Agreement, any action which may be taken at any meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by the Manager and Members having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all entitled to vote thereon were present and voted. In the event the Members are requested to consent on a matter without a meeting, the Manager and each Member shall be given not less than 10, nor more than 60, days' notice. In the event the Manager or Members representing more than 10% of the Units, request a meeting for the purpose of discussing or voting on the matter, the notice of a meeting shall be given in the same manner as required by Section 8.4.1 and no action shall be taken until the meeting is held. Unless delayed as a result of the preceding sentence, any action taken without a meeting will be effective 5 days after the required minimum number of voters have signed the consent; however, the action will be effective immediately if the Manager and Members representing at least 80% of the Units have signed the consent.

8.4.6 Record Dates. For purposes of determining the Members entitled to notice of any meeting or to vote or entitled to receive any Distributions or to exercise any rights in respect of any other lawful matter, the Manager (or Members representing more than 10% of the Units if the meeting is being called at their request) may fix in advance a record date, which is not more than 60 nor less than 10 days prior to the date of the meeting nor more than 60 days prior to any other action. If no record date is fixed:

(a) The record date for determining Members entitled to notice of or to vote at a meeting of Members shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held;

(b) The record date for determining Members entitled to give consent to Company action in writing without a meeting shall be the day on which the first written consent is given;

(c) The record date for determining Members for any other purpose shall be at the close of business on the day on which the Manager adopts it, or the 60th day prior to the date of the other action, whichever is later; and

(d) A determination of Members of record entitled to notice of or to vote at a meeting of Members shall apply to any adjournment of the meeting unless the Manager, or the Members who requested the meeting fix a new record date for the adjourned meeting, but the Manager, or such

Members, shall fix a new record date if the meeting is adjourned for more than 45 days from the date set for the original meeting.

8.4.7 Proxies. Every Person entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such Person or its duly authorized agent and filed with the Manager. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy continues in full force and effect until revoked as specified or unless it states that it is irrevocable. A proxy which states that it is irrevocable is irrevocable for the period specified therein.

8.4.8 Chairman of Meeting. The Manager may select any Person to preside as chairman of any meeting of the Members, and if such Person shall be absent from the meeting, or fail or be unable to preside, the Manager may name any other Person in substitution therefor as chairman. The chairman of the meeting shall designate a secretary for such meeting, who shall take and keep or cause to be taken and kept minutes of the proceedings thereof. The conduct of all Members' meetings shall at all times be within the discretion of the chairman of the meeting and shall be conducted under such rules as the chairman may prescribe. The chairman shall have the right and power to adjourn any meeting at any time, without a vote of the Units present in person or represented by proxy, if the chairman shall determine such action to be in the best interests of the Company.

8.4.9 Inspectors of Election. In advance of any meeting of Members, the Manager may appoint any Persons other than nominees for the Manager as the inspector of election to act at the meeting and any adjournment thereof. If an inspector of election is not so appointed, or if any such Person fails to appear or refuses to act, the chairman of any such meeting may, and on the request of any Member or its proxy shall, make such appointment at the meeting. The inspector of election shall determine the number of Units outstanding and the voting power of each, the Units represented at the meeting, the existence of a quorum, the authenticity, validity and effect of proxies, receive votes, ballots or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result and do such acts as may be proper to conduct the election or vote with fairness to all Members.

8.4.10 Record Date and Closing Company Books. When a record date is fixed, only Members of record on that date are entitled to notice of and to vote at the meeting or to receive a Distribution, or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any Units on the books of the Company after the record date.

8.5 Rights of Members. No Owner shall have the right or power to: (i) withdraw or reduce its contribution to the capital of the Company, except as a result of the dissolution and termination of the Company or as otherwise provided in this Agreement or by law, (ii) bring an action for partition against the Company or (iii) demand or receive property other than cash in return for its Capital Contribution. Except as provided in this Agreement, no Owner shall have priority over any other Owner either as to the return of Capital Contributions or as to allocations of the Net Income, Net Loss or Distributions of the Company. Other than upon the termination and dissolution of the Company as provided by this Agreement, there has been no time agreed upon when the contribution of each Owner is to be returned.

8.6 Restrictions on the Owners. No Owner shall:

8.6.1 Disclose to any non-Owner other than their lawyers, accountants or consultants and/or commercially exploit any of the Company's business practices, trade secrets or any other information not generally known to the business community, including the identity of suppliers utilized by the Company;

8.6.2 Do any other act or deed with the intention of harming the business operations of the Company; or

8.6.3 Do any act contrary to this Agreement.

8.7 Return of Capital of Member. In accordance with the Act, an Owner may, under certain circumstances, be required to return to the Company, for the benefit of the Company's creditors, amounts previously distributed to the Owner. If any court of competent jurisdiction holds that any Owner is obligated to make any such payment, such obligation shall be the obligation of such Owner and not of the Company, the Manager or any other Owner.

8.8 Indemnification of Members. The Company shall indemnify, protect, defend and hold harmless the Members, in their capacity as Members (as opposed to the Manager which is indemnified pursuant to Section 7.7 in its capacity as a Manager), and their owners, Affiliates, officers, directors, partners, managers, employees, agents and their respective successors and assigns (each, an "Indemnified Party"), from and against any loss, liability, damage, cost or expense (including legal fees and expenses incurred in defense of any demands, claims or lawsuits) arising from actions or omissions concerning business or activities undertaken by or on behalf of the Company from any source. The Company shall advance to any Person entitled to indemnification pursuant to this Section such funds as shall be required to pay legal fees and expenses incurred in defense of any demands, claims or lawsuits as they become due. Notwithstanding the foregoing, if the claim for indemnification is in connection with an action against the Company, or against another Indemnified Party by the Person requesting the indemnification, the Company shall have no such obligation to advance any funds for the payment of legal fees and expenses. The obligations contained herein shall survive the termination or expiration of the Agreement until such time as an action against the Members is absolutely barred by the statute of limitations.

8.9 Deemed Approval. Whenever a Majority Vote is required in this Agreement, the Company shall provide the Members with notice of such required vote, and the Members shall have 15 days after the date such notice is sent by the Company to approve or disapprove of the matter. If a Member does not disapprove of such matter within the 15-day specified response period described above, the Member shall be deemed to have voted in accordance with the vote recommended by the Manager.

9. Resignation, Withdrawal or Removal of the Manager.

9.1 Resignation or Withdrawal of Manager. Subject to Section 10, the Manager shall not resign or withdraw as the Manager or do any act that would require its resignation or withdrawal without a Majority Vote.

9.2 Removal. The Manager may be removed by a Majority Vote only (i) for fraud, gross negligence or willful misconduct of the Manager, as evidenced by a final, non-appealable decision of a court of competent jurisdiction or (ii) upon the occurrence of an Event of Insolvency of the Manager.

9.3 Purchase of Manager's Interest. Upon the removal of the Manager pursuant to Section 9.2 or its withdrawal with the approval of a Majority Vote, such Manager shall be paid all of its earned but unpaid fees and other compensation remaining to be paid under this Agreement. These amounts shall be paid by the Company to the Manager in cash at or before the withdrawal of the Manager.

9.4 Purchase Price of the Manager's Interest. The amount of the accrued but unpaid fees shall be reduced by any damages caused by the Manager prior to such removal that occur as a result of the Manager's gross negligence, willful misconduct, or fraud.

10. Assignment of the Manager's Interest.

10.1 Permitted Assignments. Except as otherwise provided in this Agreement, the Manager may not sell or otherwise transfer any part or all of its interest in the Company except with a Majority Vote, which consent may be withheld by such Members in their sole discretion. If the Members consent to the transfer, the interest may only be sold to the proposed transferee within the time period approved by the Members, or within 90 days of such consent on the proposed terms and price, if later. All costs of the transfer, including reasonable attorneys' fees (if any), shall be borne by the transferring Manager. The Manager may encumber its interest without the consent of the Members.

10.1.1 Any assignment or transfer of the Manager's interest provided for by this Agreement can be an assignment or transfer of all of its interest or any portion or part of its interest.

10.1.2 Any transfer of all or a part of the Manager's interest may be made only pursuant to the terms and conditions contained in this Section 10.

10.1.3 Any such assignment shall be by a written instrument of assignment, the terms of which are not in contravention of any of the provisions of this Agreement, and which has been duly executed by the assignee of the Manager's interest and accepted by the Members pursuant to a Majority Vote.

10.1.4 The assignor and assignee shall have executed, acknowledged, and delivered such other instruments as the Members pursuant to a Majority Vote, may deem necessary or desirable to effect such substitution of any such proposed transfer, and which shall include the written acceptance and adoption by the assignee of the provisions of this Agreement.

10.2 Substitute Manager. Upon acceptance by the Members of an assignment by the Manager, any assignee of the Manager's interest in compliance with this Section 10 shall be substituted as the Manager.

10.3 Transfer in Violation Not Recognized. Any assignment, sale, exchange or other transfer in contravention of the provisions of this Section 10 shall be void and ineffectual and shall not bind or be recognized by the Company.

10.4 Transfers to Affiliates. Notwithstanding the above, the Manager may assign its interest in the Company to an Affiliate without the consent of the Members.

11. Assignment of Units.

11.1 Permitted Assignments. A Member may only sell, assign, hypothecate, encumber or otherwise transfer any part (but not less than the lesser of (i) one Unit or (ii) the Member's entire interest in the Company) or all of its Units if the following requirements are satisfied:

11.1.1 The Manager, in its sole discretion, consents in writing to the transfer;

11.1.2 No Owner shall sell, transfer, assign or convey or offer to transfer, assign or convey all or any portion of a Unit to any Person who does not possess the financial qualifications required of all Persons who become Members;

11.1.3 No Member shall have the right to transfer any Unit to any minor or to any Person who, for any reason, lacks the capacity to contract for himself under applicable law. Such limitations shall not, however, restrict the right of any Member to transfer any one or more Units to a custodian or a trustee for a minor or other Person who lacks such contractual capacity;

11.1.4 The Manager, with advice of counsel, must determine that such transfer will not jeopardize the applicability of the exemptions from the registration requirements under the Securities Act of 1933, as amended, and registration or qualification under state securities laws relied upon by the Company and Manager in offering and selling the Units or otherwise violate any federal or state securities laws;

11.1.5 The Manager, with advice of counsel, must determine that, despite such transfer, Units will qualify for one of the safe harbors described in the Treasury Regulations related to the publicly traded partnership rules and will not cause the Company's Units to be deemed to be "traded on an established securities market" or "readily tradable on a secondary market (or the substantial equivalent thereof)" under the provisions applicable to publicly traded partnership status. In making this determination, the Manager shall be entitled to limit any transfers so that the transfers comply with one of the safe harbors in the Treasury Regulations; provided, however that the Manager may, in its sole discretion and upon receipt of an opinion from counsel that the Company will not be treated as a publicly traded partnership for federal income tax purposes, permit transfers that do not qualify for one of the safe harbors;

11.1.6 Any such transfer shall be by a written instrument of assignment, the terms of which are not in contravention of any of the provisions of this Agreement, and which has been duly executed by the assignor of such Units and accepted by the Manager in writing. Upon such acceptance by the Manager, such an assignee shall take subject to all terms of this Agreement and shall become an Economic Interest Owner;

11.1.7 A transfer fee shall be paid by the transferring Member in such amount as may be required by the Manager to cover all reasonable expenses, including attorneys' fees and lender's fees, connected with such assignment;

11.1.8 The transfer will not result in Employee Benefit Plans owning 25% or more of the Units;

11.1.9 The transfer will not result in more than 480 Owners; and

11.1.10 The transfer will not cause a default with respect to any financing obtained by the Company.

11.2 Substituted Member.

11.2.1 Conditions to be Satisfied. No Economic Interest Owner shall have the right to become a Substituted Member unless the Manager shall consent thereto in accordance with Section 11.2.2 and all of the following conditions are satisfied:

(a) A duly executed and acknowledged written instrument of assignment shall have been filed with the Company, which instrument shall specify the number of Units being assigned and set forth the intention of the assignor that the assignee succeed to the assignor's interest as a Substituted Member in its place;

(b) The assignor and assignee shall have executed, acknowledged and delivered such other instruments as the Manager may deem necessary or desirable to effect such substitution, which may include an opinion of counsel regarding the effect and legality of any such proposed transfer, and which shall include: (i) the written acceptance and adoption by the assignee of the provisions of this Agreement and (ii) the execution, acknowledgment and delivery to the Manager of a special power of attorney, the form and content of which are more fully described herein; and

(c) A transfer fee sufficient to cover all reasonable expenses connected with such substitution shall have been paid to the Company.

11.2.2 Consent of Manager. The consent of the Manager shall be required to admit an Economic Interest Owner as a Substituted Member. The granting or withholding of such consent shall be within the sole discretion of the Manager.

11.2.3 Consent of Members. By executing or adopting this Agreement, each Member hereby consents to the admission of additional or Substituted Members, and to any Economic Interest Owner becoming a Substituted Member upon consent of the Manager and in compliance with this Agreement.

11.3 Rights of Economic Interest Owner. An Economic Interest Owner shall be entitled to receive Distributions from the Company attributable to the Units acquired by reason of such assignment from and after the effective date of the assignment; provided, however, that notwithstanding anything herein to the contrary, the Company shall be entitled to treat the assignor of such Units as the absolute owner thereof in all respects, and shall incur no liability for allocations of Net Income and Net Loss or Distributions, or for the transmittal of reports or other information until the written instrument of assignment has been received by the Company and recorded on its books. The effective date of such assignment shall be the date on which all of the requirements of this Section have been complied with, subject to Section 4.8.

11.4 Right to Inspect Books. Economic Interest Owners shall have no right to inspect the Company's books or records, to vote on Company matters, or to exercise any other right or privilege as Members, until they are admitted to the Company as Substituted Members except as required by the Act.

11.5 Transfer Subject to Law. No assignment, sale, transfer, exchange or other disposition of any Units may be made except in compliance with the applicable governmental laws and regulations, including state and federal securities laws.

11.6 Transfer in Violation Not Recognized. Any assignment, sale, transfer, exchange or other disposition in contravention of the provisions of this Section 11 shall be void and ineffectual and shall not bind or be recognized by the Company.

11.7 Conversion to Economic Interest. Upon the transfer of a Unit in violation of this Agreement, the Membership Interest of a Member shall be converted into an Economic Interest.

12. Books, Records, Accounting and Reports.

12.1 Records. The Company shall maintain at its principal office the Company's records and accounts of all operations and expenditures of the Company including the following:

12.1.1 A current list of the name and last known business, residence or mailing address of each Owner and the Manager;

12.1.2 A copy of the Certificate of Formation and all amendments thereto, together with any powers of attorney pursuant to which the Certificate of Formation or any amendments thereto were executed;

12.1.3 Copies of the Company's federal, state, and local income tax or information returns and reports, if any, for the six most recent fiscal years;

12.1.4 Copies of this Agreement and any amendments thereto together with any powers of attorney pursuant to which any written accounting or any amendments thereto were executed;

12.1.5 Copies of any financial statements of the Company, if any, for the six most recent years; and

12.1.6 The Company's books and records (but not Member information) as they relate to the internal affairs of the Company for at least the current and past four fiscal years.

12.2 Delivery to Members and Inspection. Subject to limitations set forth in this Section 12.2 and Section 12.6, each Member, or its representative designated in writing, has the right, upon reasonable written request for purposes reasonably related to the interest of that Person as a Member, which purposes are set forth in the written request, to receive from the Company:

12.2.1 True and full information regarding the status of the business and financial condition of the Company;

12.2.2 Promptly after becoming available, a copy of the Company's federal, state and local income tax returns for each year;

12.2.3 A copy of this Agreement and the Certificate of Formation and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which this Agreement and the Certificate of Formation and all amendments thereto have been executed; and

12.2.4 True and full information regarding the amount of cash and a description and statement of the agreed value of any property or services contributed by each Owner and which each Owner has agreed to contribute in the future, and the date on which each became an Owner.

12.3 Reports. The Manager will cause the Company, at the Company's expense, to prepare an annual report containing a year-end balance sheet and income statement. Copies of such statements shall be distributed to each Member within 120 days after the close of each fiscal year of the Company.

12.4 Tax Information. The Manager shall cause the Company, at the Company's expense, to prepare and timely file income tax returns for the Company with the appropriate authorities, and shall cause all Company information necessary in the preparation of the Owners' individual income tax returns to be distributed to the Owners not later than 90 days after the end of the Company's fiscal year. The Manager shall also distribute a copy of the Company's tax return to a Member, if requested by such Member.

12.5 Confidentiality. The Manager shall have the right to keep confidential from the Owners, for such period of time as the Manager deems reasonable, any information which the Manager reasonably believes to be in the nature of trade secrets or other information the disclosure of which the Manager in good faith believes is not in the best interest of the Company or could damage the Company or its business or which the Company is required by law or by agreement with a third party to keep confidential.

12.6 Limitations. Notwithstanding Section 12.5, any inspection, examination and copying of the Company's books of account (i) will only be for the purposes reasonably related to the requesting Member's interest as a Member as determined by the Manager in the Manager's sole discretion and (ii) will be limited to information regarding the business and financial condition of the Company. Notwithstanding the foregoing, no Member will have the right to information regarding the other Members, including, but not limited to, names, addresses, phone numbers, e-mail addresses, numbers of Units owned and Capital Contributions, and the Manager will not disclose such information to any Member.

12.7 Partnership Audit Rules.

12.7.1 The Manager shall be the “partnership representative” for purposes of Code Sections 6223 and 6231, as amended by Section 1101 of the Bipartisan Budget Act of 2015, and shall, at the Company’s expense, cause to be prepared and timely filed after the end of each taxable year of the Company all federal and state income tax returns required of the Company for such taxable year. If any state or local tax law provides for a partnership representative or Person having similar rights, powers, authority or obligations, the Manager shall also serve in such capacity. The Company shall make such elections pursuant to the provisions of the Code as the Manager, in its sole discretion, deems appropriate (including, in the Manager’s sole discretion, an election under Code Section 754 or an election to have the Company treated as an “electing investment partnership” for purposes of Code Section 743).

12.7.2 If any audit adjustment results in an underpayment of tax that is imputed to the Company and would be assessed and collected at the Company level in the period that the adjustment becomes final, the Company may, in the sole discretion of the Manager, elect:

(a) to pay an imputed underpayment as calculated under Code Section 6225(b) with respect to such adjustment, including interest, penalties and related tax (“Imputed Underpayment”) in the Adjustment Year or otherwise take the Internal Revenue Service adjustment into account in the Adjustment Year. The Manager shall use commercially reasonable efforts to reduce the amount of such Imputed Underpayment on account of the tax-exempt status (as defined in Code Section 168(h)(2)) of any Members as provided in Code Section 6225(c)(3). Each Member agrees to indemnify and hold harmless the Company and the Manager from and against any liability with respect to the Member’s proportionate share of any Imputed Underpayment, regardless of whether such Member is a Member in the Adjustment Year, and to promptly pay its proportionate share of any Imputed Underpayment to the Company within 15 days following the Manager’s request for payment and any amount that is not funded shall be treated as a Tax Payment under Section 4.11.1. Each Member’s (or former Member’s) proportionate share shall be determined by the Manager in good faith taking into account each Member’s (or former Member’s) particular status, including its tax-exempt or non-United States status, its interest in the Company in the Reviewed Year, and its timely provision of information necessary to reduce the amount of Imputed Underpayment set forth in Code Section 6225(c); or

(b) under Code Section 6226(a), to cause the Company to issue adjusted Schedule K-1s or any other similar statement prescribed by the Code, Treasury Regulations or other administrative guidance published by the Internal Revenue Service or other taxing authority to each applicable Member for the Reviewed Year, who will then be required to pay their allocable share of tax otherwise attributable to the Company. Each Member hereby agrees and consents to such election and agrees to take any action, and furnish the Manager with any information necessary to give effect to such election, as required by such Code Section and applicable Treasury Regulations or other administrative guidance published by the Internal Revenue Service or other taxing authority.

13. Termination and Dissolution of the Company.

13.1 Termination of Company. The Company shall be dissolved, shall terminate and its assets shall be disposed of, and its affairs wound up upon the earliest to occur of the following:

13.1.1 Upon the happening of any event of dissolution specified in the Certificate of Formation;

13.1.2 The occurrence of a Dissolution Event unless the business of the Company is continued by the consent of the remaining Members within 90 days following the occurrence of the event;

13.1.3 A determination by the Manager to terminate the Company;

13.1.4 Upon the entry of a decree of judicial dissolution;

13.1.5 Upon the sale of the Project; or

13.1.6 The expiration of the term of the Company.

13.2 Certificate of Cancellation. As soon as possible following the occurrence of any of the events specified in Section 13.1, the Manager who has not wrongfully dissolved the Company or, if none, the Members, shall execute a Certificate of Cancellation in such form as shall be required by the Act.

13.3 Liquidation of Property. Upon a dissolution and termination of the Company, the Manager (or in case there is no Manager, the Members or Person designated by a Majority Vote) shall take full account of the Company Property and liabilities, shall liquidate the Property as promptly as is consistent with obtaining the fair market value thereof, and shall apply and distribute the proceeds therefrom in the following order:

13.3.1 To the payment of creditors of the Company but excluding secured creditors whose obligations will be assumed or otherwise transferred on the liquidation of Company Property;

13.3.2 To the setting up of any reserves as required by law for any liabilities or obligations of the Company; provided, however, that said reserves shall be deposited with a bank or trust company in escrow at interest for the purpose of disbursing such reserves for the payment of any of the aforementioned contingencies and, at the expiration of a reasonable period, for the purpose of distributing the balance remaining in accordance with the remaining provisions of this Section 13.3; and

13.3.3 To the Owners as set forth in Section 5.1 which is intended to be in proportion to their positive Capital Account balances as of the date of such Distribution, after giving effect to all Capital Contributions, Distributions and allocations for all periods, including the period during which such Distribution occurs.

13.4 Distributions Upon Dissolution. Each Member shall look solely to the assets of the Company for all Distributions and its Capital Contributions, and shall have no recourse therefor (upon dissolution or otherwise) against any Manager or any Member. No Member shall be required to restore any deficit in the Member's Capital Account.

13.5 Liquidation of Member's Interest. If there is a Liquidation of a Member's or Manager's interest in the Company, any liquidating Distribution pursuant to such Liquidation shall be made only to the extent of the positive Capital Account balance, if any, of such Member or Manager for the taxable year during which such Liquidation occurs after proper adjustments for allocations and Distributions for such taxable year up to the time of Liquidation. Such Distributions shall be made by the end of the taxable year of the Company during which such Liquidation occurs, or if later, within 90 days after such Liquidation.

14. Special and Limited Power of Attorney.

14.1 Power of Attorney. The Manager shall at all times during the term of the Company have a special and limited power of attorney as the attorney-in-fact for each Member, with power and authority to act in the name and on behalf of each such Member to execute, acknowledge, and swear to in the execution, acknowledgment and filing of documents which are not inconsistent with the provisions of this Agreement and which may include, by way of illustration but not by way of limitation, the following:

14.1.1 This Agreement, as well as any amendments to the foregoing which, under the laws of the state of Delaware or the laws of any other state, are required to be filed or which the Manager shall deem it advisable to file;

14.1.2 Any other instrument or document that may be required to be filed by the Company under the laws of any state or by any governmental agency or which the Manager shall deem it advisable to file;

14.1.3 Any instrument or document that may be required to effect the continuation of the Company, the admission of Substituted Members, or the dissolution and termination of the Company (provided such continuation, admission or dissolution and termination are in accordance with the terms of this Agreement);

14.1.4 Any contract for purchase or sale of real estate, and any deed, deed of trust, mortgage, or other instrument of conveyance or encumbrance, with respect to Property; and

14.1.5 Any and all other instruments as the Manager may deem necessary or desirable to effect the purposes of this Agreement and carry out fully its provisions, including, but not limited to, those in Section 16.

14.2 Provision of Power of Attorney. The special and limited power of attorney of the Manager:

14.2.1 Is a special power of attorney coupled with the interest of the Manager in the Company, and its assets, is irrevocable, shall survive the death, incapacity, termination or dissolution of the granting Member, and is limited to those matters herein set forth;

14.2.2 May be exercised by the Manager by and through one or more of the officers of the Manager, for each of the Members by the signature of the Manager acting as attorney-in-fact for all of the Members, together with a list of all Members executing such instrument by their attorney-in-fact or by such other method as may be required or requested in connection with the recording or filing of any instrument or other document so executed; and

14.2.3 Shall survive an assignment by a Member of all or any portion of its Units except that, where the assignee of the Units owned by the Member has been approved by the Manager for admission to the Company as a Substituted Member, the special power of attorney shall survive such assignment for the sole purpose of enabling the Manager to execute, acknowledge and file any instrument or document necessary to effect such substitution.

14.3 Notice to Members. The Manager shall promptly furnish to a Member a copy of any amendment to this Agreement executed by the Manager pursuant to a power of attorney from the Member.

15. Relationship of this Agreement to the Act. Many of the terms of this Agreement are intended to alter or extend provisions of the Act as they may apply to the Company or the Members. Any failure of this Agreement to mention or specify the relationship of such terms to provisions of the Act that may affect the scope or application of such terms shall not be construed to mean that any of such terms is not intended to be a limited liability company agreement provision authorized or permitted by the Act or which in whole or in part alters, extends or supplants provisions of the Act as may be allowed thereby.

16. Amendment of Agreement.

16.1 Admission of Member. Amendments to this Agreement for the admission of any Member or Substituted Member shall not, if in accordance with the terms of this Agreement, require the consent of any Member.

16.2 Amendments with Consent of Member. In addition to any amendments otherwise authorized herein, this Agreement may be amended by the Manager with a Majority Vote.

16.3 Amendments Without Consent of the Members. In addition to the amendments authorized pursuant to Section 4.9 and Section 7.3.12 or otherwise authorized herein, the Manager may amend this Agreement, without the consent of any of the Members, to (i) change the name and/or principal place of business of the Company or (ii) decrease the rights and powers of the Manager (so long as such decrease does not impair the ability of the Manager to manage the Company and conduct its business and affairs); provided, however, that no amendment shall be adopted pursuant to this Section 16.3 unless the adoption thereof (A) is for the benefit of or not adverse to the interests of the Members and (B) does not affect the limited liability of the Members or the status of the Company as a partnership for federal income tax purposes.

16.4 Execution and Recording of Amendments. Any amendment to this Agreement shall be executed by the Manager, and by the Manager as attorney-in-fact for the Members pursuant to the power of attorney contained in Section 14. After the execution of such amendment, the Manager shall also prepare and record or file any certificate or other document which may be required to be recorded or filed with respect to such amendment, either under the Act or under the laws of any other jurisdiction in which the Company holds any Property or otherwise does business.

17. Miscellaneous.

17.1 Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one Agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart.

17.2 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective Members.

17.3 Severability. In the event any sentence or Section of this Agreement is declared by a court of competent jurisdiction to be void, such sentence or Section shall be deemed severed from the remainder of this Agreement and the balance of this Agreement shall remain in full force and effect.

17.4 Notices. All notices under this Agreement shall be in writing and shall be given to the Member or Economic Interest Owner entitled thereto, by personal service or by mail, posted to the address maintained by the Company for such Person or at such other address as it may specify in writing.

17.5 Manager's Address. The name and address of the Manager is as follows:

CP Maywood Apartments Manager, LLC
1600 Dove Street, Suite 450
Newport Beach, California 92660

17.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Delaware.

17.7 Captions. Section titles or captions contained in this Agreement are inserted only as a matter of convenience and reference. Such titles and captions in no way define, limit, extend or describe the scope of this Agreement nor the intent of any provisions hereof.

17.8 Gender. Whenever required by the context hereof, the singular shall include the plural, and vice versa, the masculine gender shall include the feminine and neuter genders, and vice versa.

17.9 Time. Time is of the essence with respect to this Agreement.

17.10 Additional Documents. Each Member, upon the request of the Manager, shall perform any further acts and execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement, including, but not limited to, providing acknowledgment before a Notary Public of any signature made by a Member.

17.11 Descriptions. All descriptions referred to in this Agreement are expressly incorporated herein by reference as if set forth in full, whether or not attached hereto.

17.12 Binding Arbitration. Any controversy arising out of or related to this Agreement or the breach thereof or an investment in the Units shall be settled by arbitration in Orange County, California, in accordance with the rules of The American Arbitration Association, and judgment entered upon the award rendered may be enforced by appropriate judicial action. The arbitration panel shall consist of one member, which shall be the mediator if mediation has occurred or shall be a person agreed to by each party to the dispute within 30 days following notice by one party that it desires that a matter be arbitrated. If there was no mediation and the parties are unable within such 30 day period to agree upon an arbitrator, then the panel shall be one arbitrator selected by the Los Angeles, California regional office of The American Arbitration Association, which arbitrator shall be experienced in the area of real estate and limited liability companies and who shall be knowledgeable with respect to the subject matter area of the dispute. The losing party shall bear any fees and expenses of the arbitrator, other tribunal fees and expenses, reasonable attorney's fees of both parties, any costs of producing witnesses and any other reasonable costs or expenses incurred by it or the prevailing party or such costs shall be allocated by the arbitrator. The arbitration panel shall render a decision within 30 days following the close of presentation by the parties of their cases and any rebuttal. The parties shall agree within 30 days following selection of the arbitrator to any prehearing procedures or further procedures necessary for the arbitration to proceed, including interrogatories or other discovery; provided, in any event each Member shall be entitled to discovery.

17.13 Venue. Any action relating to or arising out of this Agreement shall be brought only in a court of competent jurisdiction located in Orange County, California.

17.14 Partition. The Members agree that the assets of the Company are not and will not be suitable for partition. Accordingly, each of the Members hereby irrevocably waives any and all rights that it may have, or may obtain, to maintain any action for partition of any of the assets of the Company.

17.15 Integrated and Binding Agreement. This Agreement contains the entire understanding and agreement among the Members with respect to the subject matter hereof, and there are no other agreements, understandings, representations or warranties among the Members. This Agreement may be amended only as provided in this Agreement.

17.16 Legal Counsel. Each Member acknowledges and agrees that counsel representing the Company, the Manager and its Affiliates does not represent and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Members, other than the Manager, in any respect. In addition, each Member consents to the Manager hiring counsel for the Company which is also counsel to one or more of the Manager.

17.17 Title to Company Property. All Property owned by the Company shall be owned by the Company as an entity and, insofar as permitted by applicable law, no Member shall have any ownership interest in any Company Property in its individual name or right, and each Member's membership interest shall be personal property for all purposes.

IN WITNESS WHEREOF, this Agreement is effective as of the date first set forth in the preamble.

MANAGER:

CP Maywood Apartments Manager, LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____

MEMBERS:

[_____]

EXHIBIT A

DEFINITIONS

“Act” shall mean the Delaware Limited Liability Company Act, as the same may be amended from time to time.

“Adjusted Capital Account Deficit” shall mean, with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which the Member is obligated to restore and the Member’s share of Member Minimum Gain and Company Minimum Gain and;

(ii) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6).

“Adjustment Year” shall have the meaning set forth in Code Section 6225(d)(2).

“Affiliate” shall mean (i) any Person directly or indirectly controlling, controlled by or under common control with another Person, (ii) a Person owning or controlling 10% or more of the outstanding voting securities of such other Person, (iii) any officer, director or partner of such other Person and (iv) if such other Person is an officer, director or partner, any company for which such Person acts in any capacity.

“Agreement” shall mean this Limited Liability Company Agreement, as amended from time to time.

“Beneficial Interest” shall have the meaning set forth in the Trust Agreement.

“Beneficial Owner” shall mean an “Owner” as set forth in the Trust Agreement.

“Book Gain” shall mean the excess, if any, of the fair market value of the Property over its adjusted basis for federal income tax purposes at the time a valuation of the Property is required under this Agreement or Treasury Regulations Section 1.704-1(b) for purposes of making adjustments to the Capital Accounts.

“Book Loss” shall mean the excess, if any, of the adjusted basis of Property for federal income tax purposes over its fair market value at the time a valuation of the Property is required under this Agreement or Treasury Regulations Section 1.704-1(b) for purposes of making adjustments to the Capital Accounts.

“Book Value” shall mean the adjusted basis of Property for federal income tax purposes increased or decreased by Book Gain, Book Loss, Built-In Gain and Built-In Loss as reduced by depreciation, amortization or other cost recovery deductions, or otherwise, based on such Book Value.

“Built-In Gain (or Loss)” shall mean the amount, if any, by which the agreed value of contributed Property exceeds (or is lesser than) the adjusted basis of Property contributed to the Company by a Member immediately after its contribution by the Member to the capital of the Company.

“Capital Account” with respect to any Member (or such Member’s assignee) shall mean such Member’s initial Capital Contribution adjusted as follows:

- (iii) A Member's Capital Account shall be increased by:
 - (a) such Member's share of Net Income;
 - (b) any item of income or gain specially allocated to a Member and not included in Net Income or Net Loss;
 - (c) any additional cash Capital Contribution made by such Member to the Company; and
 - (d) the fair market value of any additional Capital Contribution, as determined by the Manager consisting of property contributed by such Member to the capital of the Company reduced by any liabilities assumed by the Company in connection with such contribution or to which the Property is subject.

- (i) A Member's Capital Account shall be reduced by:
 - (a) such Member's share of Net Loss;
 - (b) any loss or deduction specially allocated to a Member and not included in Net Income or Net Loss;
 - (c) any cash Distribution made to such Member; and
 - (d) the fair market value, as determined by the Manager, of any Property (reduced by any liabilities assumed by the Member in connection with the Distribution or to which the distributed Property is subject) distributed to such Member; provided that, upon liquidation and winding up of the Company, unsold Property will be valued for Distribution at its fair market value and the Capital Account of each Member before such Distribution shall be adjusted to reflect the allocation of gain or loss that would have been realized had the Company then sold the Property for its fair market value. Such fair market value shall not be less than the amount of any nonrecourse indebtedness that is secured by the Property.

Property other than money may not be contributed to the Company except as specifically provided in this Agreement. Property of the Company may not be revalued for purposes of calculating Capital Accounts unless the Manager determines the fair market value of the Property and the Company complies with the requirements of Treasury Regulations Section 1.704-1(b)(2)(iv)(f) and (g); provided, however, for purposes of calculating Book Gain or Book Loss (but not for purposes of adjusting Capital Accounts to reflect the contribution and distribution of such Property), the fair market value of Property shall be deemed to be no less than the outstanding balance of any nonrecourse indebtedness secured by such Property.

The Capital Account of a Substituted Member shall include the Capital Account of its transferor. Notwithstanding anything to the contrary in this Agreement, the Capital Accounts shall be maintained in accordance with Treasury Regulations Section 1.704-1(b). For purposes of this Agreement, any references to the Treasury Regulations shall include corresponding subsequent provisions.

"Capital Contribution" shall mean the gross amount contributed in the Company by a Member and shall be equal to the fair market value by such Member (as determined by the Manager) for the Units issued to him by the Company. In the plural, "Capital Contributions" shall mean the aggregate amount contributed by all of the Members in the Company.

“Cash From Operations” shall mean the net cash realized by the Company from all sources, including, but not limited to, the operations of the Company, including the sale, exchange or transfer of the Project, after payment of all cash expenditures of the Company, including, but not limited to, all operating expenses such as fees payable to the Manager or Affiliates, all payments of principal and interest on indebtedness, expenses for repairs and maintenance, capital improvements and replacements, and such reserves and retentions as the Manager reasonably determines to be necessary and desirable in connection with Company operations with its then existing assets and any anticipated acquisitions.

“Certificate of Formation” shall mean the Certificate of Formation of the Company as filed with the office of the Secretary of State of the state of Delaware as the same may be amended or restated from time to time.

“Code” shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequently enacted federal revenue laws.

“Company” shall refer to Maywood Apartments Springing, LLC, a Delaware limited liability company.

“Company Minimum Gain” shall have the same meaning as “partnership minimum gain” as set forth in Treasury Regulations Section 1.704-2(d).

“Dissolution Event” shall mean, with respect to the Manager, one or more of the following: the death, insanity, withdrawal, retirement, resignation, expulsion, Event of Insolvency or dissolution (unless reconstituted by the Manager) of the Manager unless the Members consent to continue the business of the Company pursuant to Section 8.2.6.

“Distribution” shall mean to any money or other property transferred without consideration (other than repurchased Units) to Members or Owners with respect to their interests or Units in the Company, but shall not include any payments to the Manager pursuant to Section 6.

“Economic Interest” shall mean an interest in the Net Income, Net Loss and Distributions of the Company but shall not include any right to vote or to participate in the management of the Company.

“Economic Interest Owner” shall mean the owner of an Economic Interest who is not a Member.

“Employee Benefit Plan” shall have the meaning set forth in Section 3(3) of the Employee Retirement Income Security Act of 1974.

“Event of Insolvency” shall occur when an order for relief against the Manager is entered under Chapter 7 of the federal bankruptcy law, or (A) the Manager: (1) makes a general assignment for the benefit of creditors, (2) files a voluntary petition under the federal bankruptcy law, (3) files a petition or answer seeking for that Manager a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, (4) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Manager in any proceeding of this nature or (5) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of that Manager or of all or a substantial part of that Manager’s properties or (B) the expiration of 60 days after either (1) the commencement of any proceeding against the Manager seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law, or regulation, if the proceeding has not been dismissed or (2) the appointment without the Manager’s consent or acquiescence of a trustee, receiver, or liquidator of the Manager or of all or any substantial part of the Manager’s properties, if the appointment has not been vacated or stayed (or if within 60 days after the expiration of any such stay, the appointment is not vacated).

“Imputed Underpayment” shall have the meaning set forth in Section 12.7.2(a).

“Interest” shall mean a Membership Interest or an Economic Interest.

“Lease” shall mean the Master Lease Agreement between the Company (as assignee of the Trust), as landlord, and the Tenant, as master tenant.

“Lender” shall refer to Arbor Commercial Funding I, LLC, a New York limited liability company, and its successors and assigns.

“Liquidation” shall mean in respect to the Company the date upon which the Company ceases to be a going concern (even though it may exist for purposes of winding up its affairs, paying its debts and distributing any remaining balance to its Members), and in respect to a Member where the Company is not in Liquidation shall mean the date upon which occurs the termination of the Member’s entire interest in the Company by means of a Distribution or the making of the last of a series of Distributions (whether or not made in more than one year) to the Member by the Company.

“Loan” shall mean that certain loan from the Lender in the principal amount of approximately \$32,435,000, as evidenced and secured by the Loan Documents.

“Loan Documents” shall mean the (i) Multifamily Loan and Security Agreement (Nonrecourse), (ii) Multifamily Note, (iii) Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Oklahoma), (iv) Environmental Indemnity Agreement, (v) Assignment of Management Agreement, (vi) Subordination Agreement (DST Master Lease), (vii) Property Level Assignment of Leases and Rents and (viii) any other documents necessary to be entered into, executed and delivered in connection with the Loan.

“Majority Vote” shall mean the vote of more than 50% of the Units entitled to vote. Members shall be entitled to cast one vote for each Unit they own, and a fractional vote for each fractional Unit they own.

“Manager” shall refer to CP Maywood Apartments Manager, LLC, a Delaware limited liability company. The term “Manager” shall also refer to any successor or additional Manager who is admitted to the Company as the Manager.

“Member” shall mean any holder of a Unit who is admitted to the Company as a Member, including the Manager to the extent it has acquired Units.

“Member Minimum Gain” shall mean “partner nonrecourse debt minimum gain” as determined under Treasury Regulations Section 1.704-2(i)(3).

“Member Nonrecourse Debt” shall mean “partner nonrecourse debt” as set forth in Treasury Regulations Section 1.704-2(b)(4).

“Member Nonrecourse Deductions” shall mean “partner nonrecourse deductions,” and the amount thereof shall be, as set forth in Treasury Regulations Section 1.704-2(i).

“Membership Interest” shall mean a Member’s entire interest in the Company, including such Member’s Economic Interest and such voting and other rights and privileges that the Member may enjoy by being a Member.

“Net Income” or “Net Loss” shall mean, respectively, for each taxable year of the Company the taxable income and taxable loss (exclusive of Built-In Gain or Loss) of the Company as determined for federal income tax purposes in accordance with Code Section 703(a) (including all items of income, gain,

loss, or deduction required to be separately stated pursuant to Code Section 703(a)(1)) (other than any specific item of income, gain (exclusive of Built-In Gain), loss (exclusive of Built-In Loss), deduction or credit subject to special allocation under this Agreement), with the following modifications:

(i) The amount determined above shall be increased by any income exempt from federal income tax;

(ii) The amount determined above shall be reduced by any expenditures described in Code Section 705(a)(2)(B) or expenditures treated as such pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i);

(iii) Depreciation, amortization and other cost recovery deductions shall be computed based on Book Value instead of on the amount determined in computing taxable income or loss. Any item of deduction, amortization or cost recovery specially allocated to a Member and not included in Net Income or Net Loss shall be determined for Capital Account purposes in a similar manner; and

(iv) For purposes of this Agreement, Book Gain and Book Loss attributable to a revaluation of Property attributable to unrealized gain or loss in such Property shall be treated as Net Income and Net Loss.

“Nonrecourse Debt” shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(3).

“Nonrecourse Deductions” shall have the meaning, and the amount thereof shall be, as set forth in Treasury Regulations Section 1.704-2(c).

“Owner” shall mean a Member or the holder of an Economic Interest.

“Percentage Share” shall have the meaning set forth in the Trust Agreement.

“Person” shall mean a natural person, corporation, limited partnership, general partnership, 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.

“Prime Rate” shall mean the reference rate announced from time-to-time by the Wall Street Journal, and changes in the Prime Rate shall be deemed to occur on the date that changes in such rate are announced.

“Project” shall refer to the real property and improvements located at 425 N. Oklahoma Avenue, Oklahoma City, Oklahoma 73104, subject to the Lease, as more particularly set forth in the Trust Agreement.

“Property” shall refer to any or all of such real and tangible or intangible personal property or properties as may be acquired by the Company, including the Project.

“Regulatory Allocations” shall mean the allocations set forth in Sections 4.2.1 through 4.2.7.

“Reviewed Year” shall have the meaning set forth in Code Section 6225(d)(1).

“Special Purpose Entity” shall have the meaning set forth in Section 7.11.2.

“Substituted Member” shall mean any Person admitted as a substituted Member pursuant to this Agreement.

“Tax Payment” shall have the meaning set forth in Section 4.11.1.

“Tenant” shall mean CP Maywood Apartments MT, LLC, a Delaware limited liability company.

“Trust” shall mean The Maywood Apartments, a Delaware statutory trust.

“Trust Agreement” shall mean that certain Amended and Restated Trust Agreement of the Trust by and among CP Maywood Apartments Depositor, LLC, a Delaware limited liability company, as Depositor, CP Maywood Apartments Manager, LLC, a Delaware limited liability company, as Manager, and Delaware Trust Company, a Delaware corporation, as Trustee, as may be further amended or supplemented from time to time.

“Trust Estate” shall have the meaning set forth in the Trust Agreement.

“Unit” shall represent an interest in the Company entitling the owner of the Unit if admitted as a Member to the respective voting and other rights afforded to a Member, and affording to such Member a share in Net Income, Net Loss and Distributions as provided for in this Agreement.

EXHIBIT B

MEMBERS

Members	Units

EXHIBIT E

TRUSTEE AND MANAGER FEES

Pursuant to Section 4.4, the Trustee shall receive an initial set up fee of \$500 and an annual fee of \$1,500.

Pursuant to Section 4.4, the Independent Trustee shall receive an annual fee of \$500.

Pursuant to Section 5.5, the Manager shall receive an annual fee of \$40,000 in Year 1 and \$41,000 in Year 2, and for each year thereafter, the fee shall increase by 3% annually, which fee shall be payable monthly.

Pursuant to Section 9.5, the Manager shall receive a fee equal to 3.75% of the gross proceeds of any sale of the Project under Section 9.3. The Manager will be responsible for paying any brokerage fee due to a third-party broker upon the sale of the Project by the Trust.

EXHIBIT F

CONVERSION NOTICE

CP Maywood Depositor, LLC, a Delaware limited liability company, as the Class B Owner and holder of 100% of the Class B Interests in The Maywood Apartments hereby provides the Conversion Notice pursuant to Section 5.9 of the Amended and Restated Trust Agreement of The Maywood Apartments dated December 30, 2021. This Conversion Notice shall be effective as of the beginning of the day on _____, 2022.

Date: _____, 2022

CP Maywood Depositor, LLC, a Delaware limited liability company

By: _____
Justin Morehead, President

EXHIBIT D

MASTER LEASE AGREEMENT

MASTER LEASE AGREEMENT

BETWEEN

THE MAYWOOD APARTMENTS, a Delaware statutory trust

AS LANDLORD

AND

CP MAYWOOD APARTMENTS MT, LLC, a Delaware limited liability company

AS MASTER TENANT

DATED AS OF DECEMBER 30, 2021

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EXHIBITS

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EXHIBIT D – TENANT IMPROVEMENT ALLOWANCE

MASTER LEASE AGREEMENT

THIS MASTER LEASE AGREEMENT, made as of this 30th day of December, 2021 (“Agreement”), by and between The Maywood Apartments, a Delaware statutory trust (the “Landlord”), and CP Maywood Apartments MT, LLC, a Delaware limited liability company (the “Master Tenant”).

1. Definitions.

“Additional Rent” shall mean all sums, other than Base Rent, payable by the Master Tenant to the Landlord (or to third parties on behalf of the Landlord) pursuant to the terms of this Agreement, including, but not limited to, the Master Tenant Impositions.

“Agreement” shall mean this Master Lease Agreement, as amended.

“Bankruptcy Code” shall have the meaning set forth in Section 19.10.

“Base Rent” shall mean the amounts set forth and described as Base Rent on Exhibit A.

“Base Term” shall mean a term beginning on the Commencement Date and ending on the Expiration Date, unless earlier terminated pursuant to the terms of this Agreement.

“Capital Expenditures” shall mean any improvements, replacements or material repairs with respect to or relating to the Project which are properly capitalized (rather than expensed) in accordance with generally accepted accounting principles.

“Commencement Date” shall mean December 30, 2021.

“Condemnation Proceeding” shall mean any action or proceeding brought by a competent authority for the purpose of any taking of the fee of the Project or Improvements or any part thereof or estate therein as a result of the exercise of the power of eminent domain, including, but not limited to, a voluntary conveyance to such authority either under threat of or in lieu of condemnation or while such action or proceeding is pending.

“Control” shall mean, as applied to the Master Tenant, the possession, directly or indirectly, of the power to direct or cause the direction of the management and operations of the Master Tenant, whether through the ownership of voting securities or other ownership interests, by contract or otherwise.

“Default” shall have the meaning set forth in Section 20.1, after giving effect to all applicable notice and cure periods.

“Default Rate” shall mean the lesser of (i) 10% per annum, or (ii) the highest interest rate per annum, permitted under the laws of the state in which the Project is located, or under federal law, to the extent applicable.

“DST” shall mean a Delaware statutory trust which has converted to an investment trust as set forth in its trust agreement.

“Existing Obligations” shall have the meaning set forth in Section 3.3.

“Expiration Date” shall mean March 31, 2032, unless earlier terminated pursuant to the terms of this Agreement.

“Foreclosure Event” shall mean foreclosure of Project by the Initial Lender as provided under the Loan Documents.

“Hazardous Substance Costs” shall have the meaning set forth in Section 21.4.

“Hazardous Substances” shall have the meaning set forth in Section 21.1.

“Imposition Payment” shall have the meaning set forth in Section 5.3.

“Impositions” shall mean all (i) ancillary fees and costs related to a Permitted Mortgage, (ii) charges for utilities not paid for by Subtenants, (iii) taxes, assessments, excises, levies, license and permit fees and other governmental impositions and charges, general and special, ordinary and extraordinary, unforeseen and foreseen, of any kind and nature whatsoever, which are imposed, levied upon or assessed against or which arise with respect to the Project (or any portion thereof) and (iv) items specified as being included in the term “Imposition” as set forth in Section 5.4.

“Improvements” shall mean all buildings, structures and other improvements of any and every kind or nature now or hereafter located on the Land. Such term shall include, without limitation, all fixtures now or hereafter attached or affixed, actually or constructively thereto, including, without limitation all pipes, engines, wiring, heating, ventilating and air-conditioning equipment and systems, plumbing and lighting fixtures, personal property and other equipment or machinery used in or about or for the maintenance or operation of the Project. Such term shall not include any property owned by a Subtenant.

“Initial Lender” shall mean Arbor Commercial Funding I, LLC, a Delaware limited liability company, and its successors and assigns.

“Initial Loan” shall mean the \$32,435,000 loan made to the Landlord by the Initial Lender.

“Initial Loan Documents” shall mean that certain mortgage or deed of trust and other documents executed by the Landlord, the Master Tenant and Initial Lender evidencing the Loan.

“Intangible Property” shall have the meaning set forth in Section 3.3.

“Land” shall mean all of the tracts or parcels of land described in Exhibit B, together with all rights, ways and easements appurtenant thereto.

“Landlord” shall mean The Maywood Apartments, a Delaware statutory trust and its successors or assigns.

“Landlord Capital Expenditures” shall mean the Capital Expenditures set forth on Exhibit C.

“Landlord Costs” shall mean Landlord Impositions, Landlord Operating Expenses, Landlord Hazardous Substance Costs, the Tenant Improvement Allowance, the Unidentified Tenant Improvement Allowance and Landlord Capital Expenditures.

“Landlord Hazardous Substance Costs” shall have the meaning set forth in Section 21.4.

“Landlord Impositions” shall mean the Impositions set forth on Exhibit C.

“Landlord Operating Expenses” shall mean the Operating Expenses set forth on Exhibit C.

“Landlord Reserve Account” shall have the meaning set forth in Section 6.2.

“Lease Year” shall mean (i) for the first year, a term beginning on the Commencement Date and ending on December 31, 2022 and (ii) for all other years, a term beginning on January 1 and ending on December 31.

“Lender” shall mean the Initial Lender or any lender under a Permitted Mortgage, and their successors and assigns.

“Loan” shall mean the Initial Loan or any subsequent loan obtained by the Landlord in compliance with the terms of this Agreement.

“Loan Documents” shall mean the Initial Loan Documents or any documents comprising a Permitted Mortgage.

“Management Agreement” shall mean an agreement for the management of the Project.

“Master Lease Event of Default” shall mean a default by the Master Tenant under this Agreement beyond any applicable cure period set forth herein.

“Master Lease Termination Event” shall mean (i) a Master Lease Event of Default has occurred and is continuing or (ii) a Foreclosure Event.

“Master Tenant” shall mean CP Maywood Apartments MT, LLC, a Delaware limited liability company, and its successor or assigns.

“Master Tenant Capital Expenditures” shall mean all Capital Expenditures other than the Landlord Capital Expenditures.

“Master Tenant Costs” shall mean all Master Tenant Capital Expenditures, Master Tenant Impositions, Master Tenant Operating Expenses and Master Tenant Insurance Obligations.

“Master Tenant Impositions” shall mean all Impositions other than Landlord Impositions.

“Master Tenant Insurance Obligations” shall mean all insurance obligations of the Master Tenant as set forth in Section 8.2.

“Master Tenant Operating Expenses” shall mean all Operating Expenses other than Landlord Operating Expenses.

“Master Tenant Reserve Account” shall have the meaning set forth in Section 6.3.

“Operating Covenants” shall mean the Operating Covenants as defined in the Initial Loan Documents.

“Operating Expenses” shall mean all ordinary and necessary costs and expenses related to the Project other than Capital Expenditures, Impositions, Hazardous Substance Costs and reserves or impounds.

“PCB” shall have the meaning set forth in Section 21.2.

“Permitted Mortgage” shall mean the mortgage, deed of trust or other similar document securing the Initial Loan or any subsequent mortgage or deed of trust placed on the Project by the Landlord in compliance with the terms of this Agreement.

“Premium Payment” shall have the meaning set forth in Section 8.11.

“Project” shall mean the Land and the Improvements.

“Property Level Assignment of Leases and Rents” shall mean that certain Property Level Assignment of Leases and Rents with respect to the Project dated as of the date of this Agreement executed in connection with the Initial Loan.

“Remedial Work” shall have the meaning set forth in Section 21.5.

“Requirements” shall mean all requirements relating to the Project, including without limitation, planning, zoning, subdivision, environmental, toxic and hazardous waste, health, fire safety, handicapped access and any other applicable federal, state and local statutes, laws, ordinances, rules and regulations, as well as any and all encumbrances, covenants, conditions, and restrictions, foreseen or unforeseen, ordinary as well as extraordinary, which may affect the design, construction, existence, use or manner of use of the Project or any portion thereof.

“Restoration” shall mean the restoration, repair, replacement, rebuilding or alteration of the Project following a casualty or a partial Taking (including, without limitation, the cost of all temporary repairs for the protection of property pending the completion of permanent restoration, repair, replacement, rebuilding or alterations), to a complete architectural unit of as nearly as possible the same value, condition and character that existed immediately prior to such casualty or Taking, to the extent permissible under applicable Requirements, including, without limitation, all zoning and use requirements and regulations.

“Springing LLC” shall have the meaning set forth in the Landlord’s trust agreement.

“Sublease” shall mean any sublease of any or all of the Project permitted pursuant to the terms of this Agreement.

“Subordination Agreement” shall mean that certain Subordination Agreement with respect to the Project dated as of the date of this Agreement executed in connection with the Initial Loan.

“Subtenant” shall mean any subtenant party to a Sublease.

“Successor Landlord” shall have the meaning set forth in Section 19.11.

“Taking” shall mean the event of vesting of title to the Project or any part thereof or estate therein in the condemning authority as the result of any Condemnation Proceeding.

“Tenant Improvement Allowance” shall mean, individually or collectively, as the context requires, any one or more of the amounts set forth on Exhibit D.

“Term” shall mean the Base Term, unless earlier terminated pursuant to the terms of this Agreement.

“Unidentified Tenant Improvement Allowance” shall mean an amount of up to \$162,500, in the aggregate, to be paid by the Landlord to the Master Tenant over the term of this Agreement, to pay for unidentified capital replacements and expenditures.

“Use” shall mean the use as an apartment complex.

“Vesting Date” shall mean the date of any Taking.

2. Lease. The Landlord hereby leases to the Master Tenant, and the Master Tenant hereby leases from the Landlord, subject to the terms set forth in this Agreement, the Project together with all Improvements, all appurtenances pertaining to the Project and all rights of ingress and egress. The Landlord shall deliver possession of the Project to the Master Tenant on the Commencement Date.

3. Project and Term of Agreement.

3.1 The Term of this Agreement shall be for the Base Term unless sooner terminated pursuant to the terms of this Agreement.

3.2 The Master Tenant hereby accepts the Project without any representation or warranty by the Landlord, express or implied in fact or by law, and expressly without recourse to the Landlord as to title to the Project or the nature, physical condition, suitability or usability thereof. The Master Tenant shall take the Project in an "As Is" condition as of the Commencement Date.

3.3 The parties hereto acknowledge that the Project is, or portions thereof are presently the subject of (i) leases, Subleases, tenancies, licenses, occupancies and rights of others, other than those established hereby, which relate to the use of the Project or any portion thereof and (ii) service contracts, which relate to the Project (collectively, (i) and (ii), the "Existing Obligations"). The Landlord hereby assigns and transfers to the Master Tenant, to the extent transferable, as of the Commencement Date and for the Term of this Agreement, all of the Landlord's rights, duties and obligations under the Existing Obligations, including, without limitation, the right to collect rents and other charges under the Existing Obligations and to enforce the terms of the Existing Obligations and all of the Landlord's rights and interest in and to any intangible property relating to the Project, including, without limitation, all trade names and trademarks (collectively, the "Intangible Property"). The Master Tenant does hereby undertake, covenant and agree for and during the Term of this Agreement, to do, perform and discharge any and all rights, duties and obligations in connection with matters affecting the Existing Obligations, the Intangible Property, the possession of the Project or the title thereto which the Landlord might otherwise have incurred during the Term of this Agreement by reason of the Existing Obligations, the Intangible Property or the ownership of the Project by the Landlord except for Landlord Costs. Subject to the express terms, provisions and limitations set forth in this Agreement, the Master Tenant shall indemnify, protect, defend and hold the Landlord harmless from and against any and all liability, damage, loss, cost or expense (including reasonable attorneys' fees and expenses) actually suffered or incurred by the Landlord in direct connection with any or all of the Existing Obligations, the Intangible Property or the ownership of the Project arising or first accruing during the Term of this Agreement; provided, however, that such indemnity shall not be applicable with respect to any liability, damage, loss, cost or expense suffered or incurred by the Landlord as a result of, or due to, any (i) negligent or willful act or omission of the Landlord or its owners, agents, employees, officers, directors, managers, members and partners or (ii) the Landlord's failure to pay any Landlord Cost. The Master Tenant's obligations under this Section shall, as to matters arising, or accruing from facts arising, prior to the termination or expiration of this Agreement, survive the termination of this Agreement. To the extent the Landlord is required by the purchase agreement applicable to the acquisition of the Project to remit any rent to the seller, then the Master Tenant shall remit such rents to the seller.

3.4 The Landlord makes no warranty or representation, express or implied with respect to the Project or the condition thereof, it being agreed that all risks incident thereto are to be borne by the Master Tenant. To the extent assignable, and to the extent that they survived the closing of the purchase of the Project by the Landlord, the Landlord hereby assigns to the Master Tenant during the Term of this Agreement, except to the extent that they relate to Landlord Costs, (i) all representations and warranties obtained by the Landlord upon acquisition of the Project and (ii) any indemnities, warranties, guaranties (environmental or otherwise) or rights to receive payment in favor of the Landlord, or transferred to the Landlord regarding the Project obtained by the Landlord upon acquisition of the Project. To the extent the

same survive the closing, but are not assignable by the Landlord, the Landlord hereby agrees, at the Master Tenant's request and at the Master Tenant's sole cost and expense, to promptly raise and diligently pursue (in a manner and pursuant to a strategy directed by the Master Tenant) claims against the seller of the Project or any other applicable party regarding such representations, warranties, indemnities, guaranties and rights to receive payment. In the event that the Landlord fails to pursue or enforce any right or remedy available to the Landlord under the purchase agreement, the Master Tenant may, following written notice to the Landlord, pursue any such claims at its own expense. The Master Tenant, at the Landlord's request, and at the Landlord's sole cost and expense, shall cooperate with the Landlord's pursuit of claims against the seller of the Project or any other applicable party regarding representations, warranties, indemnities, guaranties and rights to receive payment with respect to Landlord Costs.

3.5 The Landlord shall not be expected or required to make any payment of any kind or be under any obligation or liability except as expressly set forth herein with respect to Landlord Costs. Notwithstanding any law to the contrary, except as expressly set forth herein: (i) this Agreement shall not be terminable by the Master Tenant, and the Master Tenant waives all rights, if any, conferred upon the Master Tenant by any statute, decree, order or otherwise to terminate or surrender this Agreement, (ii) the Master Tenant shall not be entitled to accept, and waives, all rights, if any, conferred upon the Master Tenant by any statute, decree, order or otherwise to any abatement, deferral, reduction, set-off, counterclaim, defense or deduction with respect to any Base Rent or Additional Rent and (iii) the Master Tenant's obligations under this Agreement including, but not limited to, the Master Tenant's obligation to pay the full Base Rent and Additional Rent due hereunder, shall not be affected by reason of: (A) any damage to or destruction of the Project except as set forth in Section 17, (B) any taking of the Project (or any part) by a Condemnation Proceeding or otherwise except as set forth in Section 18 and (C) any other cause whether similar or dissimilar to the foregoing; except that to the extent of any amount payable by the Landlord to or for the benefit of the Master Tenant for Landlord Costs paid by the Master Tenant, the Master Tenant may deduct an amount equal to the amount so owed to, or paid by, the Master Tenant, together (in the case of Landlord Costs) with interest thereon from the date so paid by the Master Tenant, from any Base Rent or Additional Rent due under this Agreement, to the extent that, on any date when such Base Rent or Additional Rent becomes due, the amount deducted would not reduce the aggregate net amount paid by the Master Tenant below the aggregate amount then due and payable under any Permitted Mortgage. The Master Tenant shall not be required to pay or incur any cost for a Landlord Cost for which sufficient funds are not available in any reserve established to pay such Landlord Cost unless the Master Tenant has been provided with reasonable assurances that funds will be made available as needed to pay such Landlord Cost, but may do so, in its sole discretion. The Master Tenant shall be required to pay for each Master Tenant Cost whether or not the Tenant Improvement Allowance allocable thereto is sufficient to pay for the related work in full. The Landlord shall have the obligation to pay up to the total amount of the Unidentified Tenant Improvement Allowance. The Master Tenant shall request disbursement from the Unidentified Tenant Improvement Allowance to pay for unidentified capital replacements and expenditures, not more frequently than once per month, and the Landlord shall be required to advance funds for the payment of such items from the Unidentified Tenant Improvement Allowance within 15 days of its receipt of the request. Any payments made from the Unidentified Tenant Improvement Allowance will reduce the balance of the Unidentified Tenant Improvement Allowance. The Unidentified Tenant Improvement Allowance may only be used for non-structural capital replacements and expenditures and may not be used by the Master Tenant to make anything other than minor non-structural modifications to the Project.

3.6 The Landlord shall transfer all tenant security deposits to the Master Tenant. The Master Tenant will indemnify the Landlord from and against any and all liabilities, damages, losses, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) suffered or incurred by the Landlord in connection with the tenant security deposits.

3.7 Upon the termination of this Agreement, (i) the Master Tenant's rights and obligations in and under all current Subleases shall automatically vest in the Landlord and the Landlord shall be deemed, without further action required, to have assumed all of the Master Tenant's obligations under the Subleases from and after the effective date of the termination, and the Master Tenant shall transfer all security deposits to the Landlord and (ii) the Landlord also shall indemnify and hold the Master Tenant harmless from and against any and all liabilities, claims, damages, losses, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) arising out of or pursuant to any Sublease to the extent that they relate to facts occurring from or after the effective date of the termination of this Agreement.

3.8 This Agreement shall terminate in the event that all or substantially all of the Project is sold or transferred by the Landlord in one transaction. Such termination shall become effective simultaneously with the sale or transfer. The transfer of the Project to the Springing LLC from the Landlord shall not cause a termination if elected by the Master Tenant.

4. Base Rent and Additional Rent.

4.1 The Master Tenant covenants to pay to the Landlord, in lawful money of the United States of America, without notice or demand and without any set-off, deduction or abatement whatsoever (except as set forth herein) (i) the Base Rent in arrears on the 5th day of each calendar month (with respect to the calendar month then most recently ended) during the Term of this Agreement (or, in the case of the last payment, 10 days after the end of the Term) and (ii) Additional Rent when due. Prorated monthly payments of Base Rent shall be made if the Term of this Agreement 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. As an administrative convenience to the Landlord, the Landlord hereby irrevocably directs the Master Tenant to pay directly to the holder of any Permitted Mortgage, or otherwise in accordance with any Permitted Mortgage, on or before the due date thereunder, (i) that portion of the Base Rent that equals the sum of the regularly scheduled installments of principal and interest, and all amounts to be deposited into the Landlord Reserve Account related to Landlord Costs, required under the terms of the Loan secured by any Permitted Mortgage or (ii) if required pursuant to any Permitted Mortgage, all Base Rent. The Landlord will, for purposes of this Section, keep the Master Tenant informed of any changes to such obligations. In addition, the Master Tenant shall be required to fund such other reserves as are required to be funded under a Permitted Mortgage with respect to the Master Tenant Costs, and such funds shall belong to the Master Tenant. In the event that the Landlord pays any amounts related to Master Tenant Costs, the Master Tenant shall reimburse the Landlord for such amounts.

4.2 All Additional Rent shall be due at a time that is sufficient to pay the underlying cost or expense without penalty or default.

4.3 Any Base Rent or Additional Rent not paid when due shall bear interest from the due date at the Default Rate until paid in full.

4.4 The Master Tenant shall be entitled to reduce Base Rent or Additional Rent, if required, to comply with any income tax withholding law; provided, however, that the Master Tenant shall not reduce Base Rent below the amount that equals the sum of the regularly scheduled installments of principal and interest, and all Landlord reserves and impounds for Landlord Costs, required under the terms of the Loan secured by any Permitted Mortgage.

5. Impositions.

5.1 The Landlord shall pay (except as provided in Section 5.6), before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law for the non-payment thereof, all Landlord Impositions which at any time during the Term of this Agreement may be assessed,

levied, imposed upon, or become due and payable out of or in respect of, or become a lien on (i) the Project or any part thereof or (ii) any use or occupation of the Project. If the Master Tenant receives any bills for such Landlord Impositions, the Master Tenant shall promptly deliver such bills to the Landlord. The Landlord may, in its discretion, direct the Master Tenant to make any payment of Landlord Impositions, on behalf of the Landlord and at the Landlord's sole costs and expense and the Master Tenant shall make such payment on behalf of the Landlord in conformance with the timing requirements set forth herein.

5.2 The Master Tenant shall pay (except as provided in Section 5.6), before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law for the non-payment thereof, all Master Tenant Impositions which at any time during the Term of this Agreement may be assessed, levied, imposed upon, or become due and payable out of or in respect of, or become a lien on (i) the Project or any part thereof or (ii) any use or occupation of the Project. If the Landlord receives any bills for such Master Tenant Impositions, the Landlord shall promptly deliver such bills to the Master Tenant.

5.3 To the extent that the amount of any Imposition or anticipated Imposition has been paid into any reserve or impound account established by the holder of a Permitted Mortgage (an "Imposition Payment"), then the Master Tenant shall be entitled to demand and receive funds directly from such reserve or impound account from the holder of the Permitted Mortgage for the payment of the applicable Imposition(s) (either on behalf of the Landlord with respect to any Landlord Imposition or on its own behalf with respect to any Master Tenant Imposition), in each case, subject to the provisions of the Permitted Mortgage. Upon the funding of any Imposition Payment, the Master Tenant's obligation to pay the Imposition corresponding to the Imposition Payment shall be satisfied to the extent of the amount deposited. To the extent any Permitted Mortgage requires an Imposition Payment related to a Landlord Imposition to be paid into an impound or reserve, the Master Tenant shall, at the direction of the Landlord (which may be in the form of a standing instruction), pay such amount on behalf of the Landlord out of the Base Rent or Additional Rent.

5.4 If at any time during the Term of this Agreement the methods of taxation prevailing at the Commencement Date shall be altered so as to cause the whole or any part of the Impositions now levied, assessed or imposed on real estate and the improvements thereon to be levied, assessed and imposed wholly or partially as a capital levy or otherwise, on the rents received therefrom, or if as a result of any such alteration of the methods of taxation, any gross receipts or franchise tax (other than income taxes), assessment, levy or other tax or charge shall be measured by or be based, in whole or in part, upon the Project and shall be imposed upon the Landlord, then all such taxes, assessments, levies or charges so measured or based shall be deemed to be included within the term "Impositions" for the purposes hereof. If such amounts described in this Section 5.4 relate to a Landlord Imposition, then such amounts shall be paid as set forth in Section 5.1. If the amounts described in this Section 5.4 relate to a Master Tenant Imposition, then such amounts shall be paid as set forth in Section 5.3 and such amounts will be deemed to be an item of Additional Rent.

5.5 In the case of assessment for local improvements or betterments which may by law be payable in installments and such amount is related to a Master Tenant Imposition, the Master Tenant (subject to Section 5.6) shall only be obligated to pay such installments which are currently due or such installments as fall due during the Term of this Agreement, together with interest on deferred payments, provided that the Master Tenant shall take such steps as may be prescribed by law to convert the payment of the assessment into installment payments, and the Landlord hereby agrees to cooperate with the Master Tenant to effect the same. Such payments of installments and any interest thereon shall be made before any fine, penalty, interest or cost may be added thereto for non-payment of any installment. In addition, any Impositions that would have been a Master Tenant Imposition had it occurred during the Term of this Agreement related to a fiscal period of the taxing authority occurring at the beginning or end of the Term

of this Agreement, only a part of which fiscal period is within the Term of this Agreement (whether or not such Impositions are assessed, levied, imposed or become a lien or shall become payable, during the Term of this Agreement) shall be apportioned and adjusted between the Landlord and the Master Tenant so that the Landlord shall be responsible in respect to that portion of such Imposition which bear the same ratio to the full Imposition that are part of the fiscal period which falls outside the Term of this Agreement bears to the entire fiscal period. Any such Imposition will be considered to be a Master Tenant Imposition if such Imposition is applicable to the Term of this Agreement. The Master Tenant shall be responsible for the portion of such Imposition that falls within the Term of this Agreement.

5.6 The Master Tenant shall have the right, after prior written notice to and consent of the Landlord, to contest or review by appropriate legal proceedings or in such manner as the Master Tenant in the Master Tenant's opinion shall deem advisable (which proceedings or other steps taken by the Master Tenant if instituted shall be conducted diligently and solely at the Master Tenant's own expense) any and all Master Tenant Impositions levied, assessed or imposed against the Project or taxes in lieu thereof required to be paid by the Master Tenant, provided that such contest shall not operate to prevent or in any way impair or delay a sale of the Project by the Landlord, result in a tax sale of the Project or any portion thereof or otherwise put the Project at risk. The Landlord, at the request of the Master Tenant, will join in any such contest or proceeding and will execute any agreement in form and substance satisfactory to the Landlord in settlement of any of those contests or proceedings and any documents in implementation thereof if it is necessary to do so in order to prosecute such proceeding, but the Master Tenant in those circumstances must defend and hold the Landlord harmless from and against any and all liability, damage, loss, cost and expense (including without limitation, reasonable attorneys' fees and expenses) suffered or incurred by the Landlord in connection therewith. In any event, no such contest shall defer or suspend the Master Tenant's obligations to pay the Master Tenant Impositions as herein provided, but if by law it is necessary that such payment be suspended to preserve or perfect the Master Tenant's contest, then the contest shall not be undertaken without there being first furnished to the Landlord security in form reasonably satisfactory to the Landlord, and in an amount sufficient to pay such Master Tenant Impositions, together with all interest and penalties thereon upon conclusion of the contest and all costs thereof that may be imposed upon the Landlord or the Project, and the Master Tenant shall defend and hold the Landlord harmless from and against any and all liability, damage, loss, cost and expense suffered or incurred by the Landlord in connection therewith. Nothing in this Section 5.6 shall be in derogation of the Landlord's right to contest or review any Master Tenant Impositions by legal proceedings or in such other manner as may be available to the Landlord upon 10 days prior written notice to the Master Tenant. In the event that the Landlord receives a refund of any Master Tenant Imposition that was contested and paid by the Master Tenant, the Landlord shall pay such amounts to the Master Tenant within 30 days of the receipt of such amount.

5.7 The Landlord shall have the right to contest or review by appropriate legal proceedings or in such manner as the Landlord, in the Landlord's opinion shall deem advisable (which proceedings or other steps taken by the Landlord if instituted shall be conducted diligently and solely at the Landlord's own expense) any and all Landlord Impositions levied, assessed or imposed against the Project or taxes in lieu thereof required to be paid by the Landlord. The Master Tenant, at the request of the Landlord, shall join in, or cooperate with, any such contest or proceeding.

5.8 The Landlord hereby designates the Master Tenant to act on its behalf, and during the Term of this Agreement, assigns to Master Tenant Landlord's rights and interest: (A) to complete, terminate or settle any appeal proceedings pending on the Commencement Date with respect to real estate tax assessments of the Project for periods prior to the Commencement Date, (B) to determine the need to initiate an appeal of any real estate tax assessment of the Project with respect to periods prior to or after the Commencement Date, and to complete, terminate or settle any such appeals, and (C) to engage legal counsel in connection with the foregoing, provided, however, that any refunds or settlement monies resulting from

such appeals shall be applied as follows: (i) first, to the payment of all attorneys' fees and costs attendant to such appeals, (ii) second, to any Subtenants to the extent such Subtenants are entitled to a portion of such refunds or monies under their respective Subleases and (iii) third, so long as the Master Tenant is not in Default hereunder, to the Master Tenant. The Master Tenant shall pay all costs, including attorneys' fees and costs, attendant to such appeals (to the extent not covered by the application of any refunds or settlement monies) and the Landlord shall have no obligation to pay the same. To the extent any refund or settlement monies are received after the Expiration Date, after the application set forth in clauses (i) and (ii) above, the remainder of such refunds shall be for the Master Tenant, to the extent such refunds or settlement relates to a period of time on or prior to the Expiration Date, and to the Landlord, to the extent such refunds or settlement relates to a period of time after the Expiration Date. At the Master Tenant's sole cost and expense, the Landlord shall cooperate with the Master Tenant to the extent the Landlord's participation is necessary to initiate, settle, terminate, extend or amend such appeals or to otherwise secure any refunds. At the Landlord's written request, the Master Tenant shall deliver to the Landlord copies of all paid bills or other evidence of payment for Master Tenant Impositions prior to the date any fine, interest or cost may be imposed for the nonpayment thereof. At the Master Tenant's written request, the Landlord shall deliver to the Master Tenant copies of all paid bills or other evidence of payment for Landlord Impositions prior to the date any fine, interest or cost may be imposed for the nonpayment thereof.

6. Repairs and Maintenance of the Project.

6.1 Throughout the Term of this Agreement, the Master Tenant, at the Master Tenant's sole cost and expense (except for Landlord Costs), shall take good care of the Project and shall put, keep and maintain the same and every part thereof in a condition substantially the same as the condition of the Project on the Commencement Date (ordinary wear and tear excepted), and shall make all necessary repairs thereto of whatsoever nature or kind, interior and exterior, structural (in compliance with Revenue Ruling 2004-86) and nonstructural, ordinary and extraordinary and whether now foreseeable or not foreseeable, and including, without limitation, any repairs or other work required (i) by contract or Requirements under all Existing Obligations affecting all or any part of the Project or (ii) subject to any contrary terms of Section 17 or Section 18, following a Taking or a casualty. The Master Tenant is requiring the Landlord to make the capital replacements listed on Exhibit C as "Initial Capital Expenditures" in order to place the Project in a position to be rented by the Master Tenant. Other than the Landlord's responsibility for all Landlord Costs as set forth herein, and subject to any contrary provisions of Section 17 and Section 18, the Master Tenant (and not the Landlord) shall have full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Project. In addition to the foregoing, during the existence of a Permitted Mortgage, the Master Tenant shall further maintain and repair the Project in accordance with the terms of such Permitted Mortgage.

6.2 An initial reserve in the amount of \$1,102,556 will be established for the Landlord to pay for Landlord Costs (the "Landlord Reserve Account"). To the extent there are reserves established under the Permitted Mortgage that are applicable to any Landlord Costs, the Master Tenant shall have access to the Landlord Reserve Account to pay such Landlord Costs on behalf of the Landlord. To the extent the Landlord Reserve Account is not sufficient to pay for any Landlord Cost, the Landlord shall remit the amount of such insufficiency to the Master Tenant within 10 business days of the Landlord's receipt of the Master Tenant's request thereof. Alternatively, the Master Tenant shall have the right to withhold Base Rent or Additional Rent in an amount sufficient to pay the applicable Landlord Cost. Any funds held in the Landlord Reserve Account shall belong to the Landlord and shall be transferred to the Landlord upon termination of this Agreement or sale of the Project.

6.3 The Master Tenant shall maintain, either directly or through Lender, an account (the "Master Tenant Reserve Account"), which will be used to fund and pay for Master Tenant Costs. The Master Tenant Reserve Account shall be maintained as set forth in the Loan Documents, if applicable. The

Master Tenant Reserve Account shall be funded with \$250,000 upon execution of this Agreement. In addition, the Master Tenant will be capitalized with a demand note of \$500,000 from its sole member. The Master Tenant shall be responsible for all Master Tenant Costs that, in the Master Tenant's reasonable discretion, are necessary to properly maintain the Project in accordance with its Use and the Master Tenant shall be responsible for providing the funds to pay for any such Master Tenant Cost. If all or any portion of the Master Tenant Reserve is held by the Lender, the Master Tenant shall be entitled to demand and receive funds directly from the Master Tenant Reserve Account. If the Master Tenant Reserve Account does not contain sufficient funds to fully reimburse the Master Tenant, the Master Tenant shall be obligated to separately fund such costs. Any funds held in the Master Tenant Reserve Account shall belong to the Master Tenant and shall be transferred to the Master Tenant upon termination of this Agreement, including if this Agreement is terminated following the foreclosure of the Project by any Lender. The Master Tenant shall operate and manage the Project in conformance with the Operating Covenants.

6.4 The Master Tenant may satisfy its funding obligations for any Master Tenant Cost to the extent, if any, that insurance proceeds are made available by the Master Tenant's or the Landlord's insurance carrier and such proceeds are used to fund the Master Tenant Cost. The Landlord may satisfy its funding obligations for any Landlord Cost to the extent, if any, that insurance proceeds are made available by the Master Tenant's or the Landlord's insurance carrier and such proceeds are used to fund the Landlord Costs.

6.5 Throughout the Term of this Agreement, the Master Tenant shall not cause any intentional waste or damage, disfigurement or injury to the Project or any part thereof. The Landlord is not obligated to pay for any item that would be a Landlord Cost but which is required (i) due to the gross negligence or willful misconduct of the Master Tenant or the Master Tenant's members, managers, shareholders, partners, agents, employees, officers, directors or authorized representatives or (ii) that arise directly or indirectly from or in connection with the presence or release of any Hazardous Substance (as defined in Section 21) in or into the air, soil, surface, water, groundwater or soil vapor at, on, under, over or within the Project, or any portion thereof from and after the Commencement Date and otherwise during the Term and such Landlord Cost shall remain the responsibility of the Master Tenant.

6.6 The Master Tenant may enter into a Management Agreement for the management and operation of the Project. The Landlord shall not have any rights or obligations under the Management Agreement; provided, that at all times the Management Agreement shall be subject and subordinate to this Agreement and, during the term of the Initial Loan Documents, any amendment or termination of the Management Agreement shall be in compliance with the Initial Loan Documents.

6.7 Notwithstanding the above, while the Initial Loan is outstanding, the Master Tenant may not remove, sell or transfer any part of the Project (including personal property) other than obsolete or worn-out property that is contemporaneously being replaced by items of equal or better function and quality, unless such property is no longer needed at the Project.

7. Compliance with Requirements.

7.1 Throughout the Term of this Agreement, the Master Tenant, at the Master Tenant's sole cost and expense (except for Landlord Costs) and in all material respects, shall promptly comply with all present and future Requirements whether or not such Requirements shall necessitate structural changes or improvements or interfere with the use and enjoyment of the Project, or any part thereof. If the Landlord receives any notices regarding Requirements, the Landlord shall promptly deliver the same to the Master Tenant.

7.2 The Master Tenant shall have the right, after prior notice to the Landlord, solely at the Master Tenant's own expense, without cost or expense to the Landlord, to contest by appropriate legal

proceedings diligently conducted in good faith, in the name of the Master Tenant, the validity or application of any Requirements related to the Master Tenant Costs, provided, however, that the Master Tenant may delay compliance therewith until the final determination of such proceeding only if by the terms of any such Requirements, compliance therewith pending the prosecution of any such proceeding may legally be delayed without the incurrance of, or the risk of incurring, any fine, lien, charge or liability of any kind against the Project or the Master Tenant's leasehold interest therein and without subjecting the Master Tenant or the Landlord to the risk of any liability, civil or criminal, for failure so to comply therewith. To the extent reasonably required and at the Master Tenant's request and sole cost and expense, the Landlord hereby agrees to cooperate with and assist the Master Tenant with such contests. The Master Tenant shall, upon the Landlord's request, and at the Landlord's sole cost and expense, cooperate with the Landlord's contest of the validity or application of any Requirements constituting Landlord Capital Expenditures or Landlord Operating Expenses. The Master Tenant shall, upon the Landlord's request, and at the Landlord's sole cost and expense, cooperate with the Landlord's contest of the validity or application of any Requirements related to Landlord Costs.

7.3 While the Initial Loan is outstanding, the Master Tenant shall, as an accommodation to the Landlord, provide all financial information and other reporting information required in the Loan Documents to the Lender on behalf of the Landlord, including, without limitation, any annual budgets required to be provided to the Lender.

8. Insurance.

8.1 The Landlord shall at all times through the Term of this Agreement maintain, or cause the Master Tenant to maintain, at the Master Tenant's sole cost and expense, for the mutual benefit of the Landlord and the Master Tenant, the following insurance:

8.1.1 All Risks Property insurance on the Improvements in an amount not less than 100% of the full replacement costs of the Improvements with a Replacement Cost Endorsement. "Full replacement cost" as used herein means the cost of replacing the Improvements (inclusive of the cost of excavations, foundation and footings) without deduction for physical depreciation thereof.;

8.1.2 Boiler and Machinery insurance as may reasonably be required to cover physical damage to the Improvements and to the major components of any central heating, air-conditioning or ventilation systems;

8.1.3 Provided that the Project, or any portion thereof, is located in an area designated as a flood prone area participating in the National Flood Insurance Program, flood insurance in an amount equal to the full replacement cost or the maximum amount then available, unless neither the Project, nor any portion thereof, is located within a 100 year flood plain as determined by the Federal Insurance Administration;

8.1.4 During any changes or alterations of the Project or any part thereof and during any Restoration following a Taking or a casualty, all risk builder's risk insurance in an amount not less than 100% of the full replacement cost of the Improvements, except that, if the changes or alterations are undertaken by the Master Tenant pursuant to Section 11 as a the Master Tenant Cost, such coverage shall be obtained and maintained by the Master Tenant, at its expense; and

8.1.5 All other insurance requirements of the Landlord as set forth in the Loan Documents.

8.2 The Master Tenant shall maintain at all times throughout the Term of this Agreement, at the Master Tenant's sole cost and expense, or cause its Subtenants to maintain, the following insurance:

8.2.1 Comprehensive general liability insurance including contractual liability insurance specifically covering the indemnification obligations of the Master Tenant under this Agreement (including, without limitation, the obligations referred to in Section 16.1), on an occurrence basis against claims for bodily injury, personal injury and property damage arising on or about the Project (including, without limitation, elevators and/or escalators) and the sidewalks, driveways and curbs adjacent thereto with limits not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate;

8.2.2 Insurance against loss of profits or rental under a business interruption insurance policy or under a rental value insurance policy covering risk of loss due to the occurrence of any of the hazards covered by the policies described in Sections 8.1.1, 8.1.2 and 8.1.3, and (to the extent insurance covering such hazards is generally obtainable) in Section 8.1.4 in an amount not less than the aggregate requirements for the period of 12 months following the occurrence of the insured casualty for: (i) Base Rent and Additional Rent, or, if such amounts exceed the Base Rent and Additional Rent, the rental payments due to the Master Tenant under the Subleases, (ii) Impositions and (iii) premiums on insurance required to be carried pursuant to this Section; and

8.2.3 All other insurance requirements of the Master Tenant as set forth in the Loan Documents.

8.3 All insurance provided for under this Agreement shall be effected under valid enforceable policies issued by insurers of responsibility and licensed to do business in the State where the Project is located. The original policies under Section 8.1 and the certificates for the policies under Section 8.2 shall be delivered by the Landlord or the Master Tenant (as applicable, depending on the party responsible to obtain such coverage, and whether obtained in connection with the commencement of the Term or in connection with the renewal or replacement of any policy required to be maintained hereunder) to the other party within 5 days of the responsible party's receipt of the other party's written request therefor. If requested by the other party, the party responsible for maintaining any policy required under this Section shall deliver to the other party satisfactory evidence of payment of the premium on such policy prior to the expiration date of such policy. To the extent obtainable, all such policies shall contain agreements by the insurers that (i) no act or omission by the party responsible for maintaining such coverage shall impair or affect the rights of the insured to receive and collect the proceeds under the policies; (ii) such policies shall not be cancelled except upon not less than 10 days prior written notice to each named insured and loss payee; and (iii) the coverage afforded thereby shall not be affected by the performance of any work in or about the Project.

8.4 The rental value policy referred to in Section 8.2.2 shall name the Landlord as loss payee. To the extent of the sum of (i) any Base Rent and Additional Rent due and payable at the time of the Landlord's receipt of any proceeds of the rental value policy, plus (ii) any Base Rent and Additional Rent scheduled to become due with respect to the period for such proceeds are received, the Landlord shall retain such proceeds and apply them (A) to the payment of such amounts as are then due and payable, and (B) to the payment, as they become due, of amounts not then due and payable, but to become due during such period; and, provided that the Master Tenant is not then in Default under this Agreement, shall release any excess of the amount so received over the sum of the amounts described in clauses (i) and (ii). If the Master Tenant is then in Default under this Agreement, the Landlord shall hold such excess as cash collateral for the obligations of the Master Tenant hereunder for so long as the Master Tenant is in Default, and may apply them to the obligations of the Master Tenant hereunder as they become due and payable.

8.5 Except as provided in Section 8.4, all policies of insurance shall name the Landlord or the Master Tenant, as applicable (based on responsibility to maintain the relevant coverage) as the insured and the Landlord or the Master Tenant, if applicable, as an additional insured, as their respective interests may appear. Subject to the terms of any Loan Documents evidencing a Permitted Mortgage, the loss, if any,

under said policies referred to in Section 8.1 shall be adjusted with the insurance companies solely by the Landlord.

8.6 The loss, if any, under all policies of insurance of the kind referred to in Section 8.1 shall be payable to the Master Tenant, to be held by the Master Tenant in trust for the Landlord and used to pay Landlord Costs and other obligations in respect of the underlying casualty, unless the casualty results in the Master Tenant's termination of this Agreement pursuant to the provisions of Section 17, in which event the loss shall be payable to the Landlord. All policies of insurance of the kind aforesaid shall expressly provide that all losses thereunder shall be adjusted and paid as provided in Sections 8.5 and 8.6.

8.7 Nothing contained in the foregoing provisions of this Section shall prevent either the Landlord or the Master Tenant from taking out insurance of the kind and in the amount provided for under Sections 8.1 or 8.2 under a blanket insurance policy or policies which cover the properties owned or operated by either the Landlord or the Master Tenant or its affiliates as well as the Project; provided, however, if such insurance is provided pursuant to a blanket policy, the Landlord or the Master Tenant, as the case may be, shall obtain an "Agreed Value Endorsement" applicable to the Project and, if providing any of the insurance required by the Loan Documents, such blanket policies shall comply with the insurance requirements as set forth in the Loan Documents.

8.8 All policies under Section 8.1 and Section 8.2 shall contain endorsements that the rights of the insured to receive and collect the proceeds shall not be diminished because of any additional insurance carried by the Landlord or the Master Tenant, as the case may be, on its own account.

8.9 The requirements of this Section shall not be deemed or construed to negate or modify the Master Tenant's obligations to defend and indemnify the Landlord pursuant to the provisions of this Agreement, or to negate or modify the Master Tenant's obligations to restore the Project following a Taking or casualty (subject to the Landlord's obligation to fund Landlord Costs incurred in connection with such Restoration) pursuant to the terms of this Agreement.

8.10 Notwithstanding anything herein to the contrary, to the extent required in any Permitted Mortgage, the holder of such Permitted Mortgage shall be named as an additional insured under any liability policies and proceeds under such other policies shall be payable to such holder as a mortgagee under a standard mortgagee clause in favor of, and acceptable to, such holder. The Master Tenant's obligations hereunder to deliver certificates of insurance or original insurance policies to the Landlord shall, during the time any Permitted Mortgage is in existence, include delivery of such items to such holder in addition to (or where necessary in lieu of) delivery of such items to the Landlord. To the extent that any insurance proceeds are paid to the holder of a Permitted Mortgage in accordance with the requirements of such Permitted Mortgage, such payment (and, as applicable, the use of any such proceeds by the Landlord and/or the Master Tenant to repair any related damage in accordance with the terms of such Permitted Mortgage), will be deemed to satisfy the Landlord's and/or the Master Tenant's obligations under this Agreement, as applicable, including Section 17, where such proceeds would, without such Permitted Mortgage, be available to the Master Tenant to perform its repair obligations under this Agreement. The Landlord's and the Master Tenant's rights in and to any insurance proceeds are subject to the rights of the holder of a Permitted Mortgage under such Permitted Mortgage.

8.11 To the extent that the Master Tenant has paid as Additional Rent any amount for a Master Tenant Insurance Obligation into any reserve or impound account established by the holder of a Permitted Mortgage (a "Premium Payment"), the Master Tenant shall be entitled to demand and receive funds directly from such reserve or impound account from the holder of a Permitted Mortgage for the payment of the applicable insurance premium(s) in each case, in accordance with the terms and conditions of a Permitted Mortgage. Upon the funding of any Premium Payment, the Master Tenant's obligation to maintain the insurance corresponding to the Premium Payment shall be satisfied in full for the applicable period.

9. Surrender at End of Term.

9.1 Upon termination of this Agreement, the Master Tenant shall quit and surrender the entire Project (including, without limitation, the Improvements) to the Landlord, without payment or off-set, in a condition substantially similar to the condition of the Project on the Commencement Date, reasonable wear and tear and Capital Expenditures excepted, free and clear of all leases and occupancies other than (i) the Existing Obligations (to the extent the same have not expired or have since been terminated), (ii) Subleases and (iii) any other leases and occupancies which the Landlord has expressly agreed in writing shall survive the expiration or sooner termination of this Agreement, and free and clear of all liens and encumbrances other than those, if any, created by the Landlord and any Permitted Mortgage. Upon termination of this Agreement, the Master Tenant shall assign the items set forth in (i), (ii) and (iii) above to the Landlord.

9.2 Any personal property of the Master Tenant, any Subtenant, any space tenant, any occupant, any business invitee or any licensee, which shall remain upon the Project after the expiration or sooner termination of this Agreement and the removal of the Master Tenant, such Subtenant, such space tenant, such occupant, such business invitee or such licensee from the Project, or the abandonment or vacation of the Project by the Master Tenant or such Subtenant, space tenant, occupant, business invitee or licensee, may, at the option of the Landlord, be deemed to have been abandoned and either may be retained by the Landlord as the Landlord's property or may be disposed of, without accountability, in such manner as the Landlord may see fit, and the Master Tenant agrees to defend, indemnify and hold the Landlord harmless from and against any and all liabilities, claims, damages, losses, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) arising in any way from such retention or disposition.

9.3 If the Master Tenant does not vacate the Project upon expiration or sooner termination of this Agreement, then the Landlord shall have the option to treat the Master Tenant as a month-to-month tenant, subject to all of the provisions of this Agreement, except that: (i) the term shall be month-to-month and (ii) the rent (excluding Additional Rent, which will also be payable) shall be an amount equal to 125% of the prior monthly installment of Base Rent plus any associated costs and fees incurred by the Landlord.

9.4 The Landlord shall not be responsible for any loss or damage occurring to any property owned by the Master Tenant, any Subtenant, any space tenant, any occupant, any business invitee or any licensee.

9.5 The terms, covenants, provisions and conditions of this Section 9 shall survive the expiration or sooner termination of this Agreement.

10. Landlord's Right to Perform the Master Tenant's Covenants.

10.1 If the Master Tenant shall at any time fail to make any payment or perform any other act or obligation of the Master Tenant to be made or performed pursuant to this Agreement, then, after 30 days' prior written notice to the Master Tenant, or without notice in case of an emergency (which shall include, but shall not be limited to, danger to person or property or the imposition of a monetary fine or penalty on the Landlord or the Landlord's exposure to possible liability, or where the due date for such payment or performance shall have passed or will occur within such 30-day period), and without waiving, or releasing the Master Tenant from, any obligation of the Master Tenant contained in this Agreement, the Landlord may (but shall be under no obligation to) take such action or expend such amounts to perform or pay the Master Tenant's obligation.

10.2 All sums so paid by the Landlord and all costs and expenses incurred by the Landlord in connection with the performance of any act described in Section 10.1, together with interest thereon at the Default Rate from the respective dates of the Landlord's making of each such payment or incurring of each

such cost and expense, shall constitute Additional Rent payable by the Master Tenant under this Agreement and shall be paid by the Master Tenant to the Landlord on demand. The Landlord shall not be limited in the proof of any damages which the Landlord may claim against the Master Tenant arising out of or by reason of the Master Tenant's failure to provide and keep in force insurance which the Master Tenant is required to keep in force under this Agreement. The Landlord shall also be entitled to recover as damages for such breach, the uninsured amount of any loss to the extent of any deficiency in the insurance required by the provisions of this Agreement, damages, costs and expenses of suit suffered or incurred by reason of damage to, or destruction of, the Project, or any part thereof, occurring during any period when the Master Tenant shall have failed or neglected to provide insurance as aforesaid.

10.3 The Master Tenant's obligations under this Section 10 shall, as to matters arising prior to the expiration or sooner termination of this Agreement, survive for 1 year following the expiration or sooner termination of this Agreement.

11. Changes and/or Alterations by the Master Tenant.

11.1 The Master Tenant shall have the right at any time and from time to time during the Term of this Agreement to make, at the Master Tenant's sole cost and expense (except for Landlord Costs) and in its sole discretion, structural (if in accordance with Revenue Ruling 2004-86) and nonstructural changes and alterations in or to the Improvements without the Landlord's consent, subject to Section 28 and the following conditions:

11.1.1 No change or alteration shall be undertaken until the Master Tenant shall have procured and paid for (except for Landlord Costs), so far as the same may be required, from time to time, all permits and authorizations of all municipal departments and governmental subdivisions having jurisdiction. The Landlord shall join in the application for such permits and authorizations whenever such action is necessary; provided that the Landlord shall not incur or be subject to any liability or expense as a result of joining in said application (except for Landlord Costs).

11.1.2 No change or alteration shall be made that could (i) materially reduce the value of the Project below its value immediately before such change or alteration, (ii) result in a material change in the usefulness of the Project from its intended Use, or (iii) violate the terms of any Sublease.

11.1.3 Any change or alteration shall be made promptly and in a good and workmanlike manner and in compliance with all applicable permits and authorizations, and all Requirements shall be completed at least 3 months prior to the end of the Term of this Agreement.

11.1.4 The cost of any such change or alteration, other than disputed items, shall be promptly paid by the Master Tenant (other than Landlord Costs), so that the Project shall at all times be free and clear of liens for labor and materials supplied or claimed to have been supplied to the Project.

11.1.5 All changes and alterations to the Improvements made by or on behalf of the Master Tenant shall be and become the property of the Landlord upon termination of this Agreement and for purposes of this Agreement shall be deemed to be a part of the Improvements. The Master Tenant shall diligently prosecute to completion all such changes and alterations once commenced, and the Master Tenant's obligation to complete the same pursuant to the terms of this Agreement shall survive the expiration or sooner termination of this Agreement.

11.1.6 Any such changes and alterations provided for in this Section 11 shall be performed by the Master Tenant in full compliance with the Lender requirements.

11.1.7 Worker's compensation insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against the Landlord, the Master Tenant or the Project, and general liability insurance for the mutual benefit of the Master Tenant and the Landlord with a combined single limit of not less than \$1,000,000 "per occurrence" against all claims for personal injury, bodily injury, death and property damage shall be maintained by the Master Tenant, at the Master Tenant's sole cost and expense (except for Landlord Costs), at all times when any work is in process in connection with any change or alteration. All such insurance shall be provided by a company or companies of recognized responsibility, and all policies or certificates therefor issued by the respective insurers, bearing notations evidencing the payment of premiums or accompanied by other evidence of such payment, shall be delivered to the Landlord prior to the commencement of any work in connection therewith.

11.2 The Master Tenant covenants that in performing any work or repairs to, or restoration, replacement or rebuilding of, any portion of the Improvements required or permitted to be performed by the Master Tenant pursuant to this Agreement, the Master Tenant shall, to the extent applicable, comply with the provisions set forth in this Section 11.

12. Discharge of Liens.

12.1 The Master Tenant covenants and agrees that the Master Tenant shall not create or permit to be created or to remain, and shall discharge (at the Master Tenant's expenses except with respect to Landlord Costs), any lien, encumbrance or charge which might be or become a lien, encumbrance or charge upon the Project or any part thereof or the income therefrom, and the Master Tenant shall not suffer any other imposition whereby the estate, right and interest of the Master Tenant in the Project or any part thereof might be impaired, provided that (A) any Impositions may, after the same become a lien on the Project, be paid or contested by the Master Tenant, after prior written notice to the Landlord, by appropriate legal proceedings or in such manner as the Master Tenant in the Master Tenant's opinion shall deem advisable (and which, if instituted, shall be conducted diligently and solely at the Master Tenant's expense unless such matter relates to a Landlord Cost), but in any event in compliance with any conditions set forth in the Loan Documents; and (B) any mechanic's, laborer's or materialman's lien may be discharged in accordance with Section 12.2. If requested by the Master Tenant, the Landlord will cooperate in any such contest in the manner provided in Section 5 for the Master Tenant's cooperation with contests by the Landlord pursuant to such section, but the Master Tenant shall defend and hold the Landlord harmless from and against any and all liability, damage, loss, cost and expense (including, without limitation, reasonable attorneys' fees and expenses) suffered or incurred by the Landlord in connection therewith.

12.2 Notwithstanding Section 12.1, if any mechanic's, laborer's or materialman's lien shall at any time be filed against the Project or any part thereof, the Master Tenant, within 30 days after notice of the filing thereof, shall cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If the Master Tenant shall fail to cause such lien to be discharged within the period aforesaid, then, in addition to any other right or remedy available to the Landlord hereunder, at law or in equity and including those set forth in Section 20, the Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings. Any amount so paid by the Landlord and all costs and expenses incurred by the Landlord in connection therewith, including, without limitation, amounts paid in good faith settlement of such lien and attorneys' fees and expenses, together with interest thereon at the Default Rate from the respective dates of the Landlord's making the payment or incurring the cost and expense to the date the Landlord is in actual receipt of such amount from the Master Tenant, shall constitute Additional Rent payable by the Master Tenant under this Agreement and shall be paid by the Master Tenant to the Landlord on demand. In the event that any mechanic's, laborer's or materialman's

lien cured by the Master Tenant relates to any Landlord Cost, the Master Tenant shall be reimbursed therefor in the manner described in Section 6.

NOTICE IS HEREBY GIVEN THAT THE LANDLORD WILL NOT BE LIABLE FOR ANY LABOR, SERVICES OR MATERIALS FURNISHED OR TO BE FURNISHED TO THE MASTER TENANT, OR TO ANYONE HOLDING AN INTEREST IN THE PROJECT (OR ANY PART THEREOF) THROUGH OR UNDER THE MASTER TENANT, AND THAT NO MECHANIC'S OR OTHER LIENS OR ANY SUCH LABOR, SERVICE OR MATERIALS SHALL ATTACH TO OR AFFECT THE INTEREST OF THE LANDLORD IN THE PROJECT, EXCEPT, IN ANY SUCH CASE, TO THE EXTENT THAT SUCH LABOR, SERVICES OR MATERIALS ARE FURNISHED WITH RESPECT TO THE LANDLORD COSTS.

13. Use of Project.

13.1 The Master Tenant shall use the Project for the Use and for no other purpose, and hereby covenants to use and operate the Project for the Use at all times during the Term of this Agreement. The Master Tenant hereby covenants and agrees to act in compliance with all laws, ordinances, rules, regulations and guidelines relating to operation of the Project.

13.2 The Master Tenant shall not use or allow the Project or any part thereof to be used or occupied for any unlawful purpose or in material violation of any certificate of occupancy or certificate of compliance or of any other material certificate, permit, law, statute, ordinance, rule or regulation or any of the other Requirements, or any lease, mortgage, easement, restriction or other material agreement covering or affecting the use of the Project or any part thereof, and shall not suffer any act to be done or any condition to exist on the Project or any part thereof, which may be dangerous, unless safeguarded as required by law, or which may constitute a nuisance, public or private, or which may make void or voidable, or cause the revocation of, any certificate of occupancy or certificate of compliance or any other material certificate or permit or any insurance then in force with respect thereto.

13.3 The Master Tenant shall not suffer or permit the Project, or any portion thereof, to be used by any other party, including the public, as such, without restriction or in such manner as might reasonably tend to impair the Landlord's title to the Project or any portion thereof, or in such manner as might reasonably make a possible claim or claims of adverse usage or adverse possession by such party or the public, as such, or of implied dedication of the Project or any portion thereof.

13.4 The Master Tenant shall not use or allow the Project or any part thereof to be used or occupied in a manner that would result in the violation of the terms of any Permitted Mortgage. The Master Tenant shall further perform during the Term of this Agreement, the terms of any Permitted Mortgage that relate to this Agreement or the Project. Such covenants and obligations shall be performed by the Master Tenant in such a manner as to not constitute a default under the Permitted Mortgage. Notwithstanding the above, the Master Tenant shall remain entitled to reimbursement by the Landlord for any Landlord Costs incurred by the Master Tenant in performing its obligations under this Agreement.

13.5 The Landlord agrees that in the event the Landlord refinances a Permitted Mortgage, the Lender requirements and obligations imposed by the new lender shall not be greater to the Master Tenant than those existing as of the Commencement Date and shall not affect operations of the Project or the leasing of the Project by the Master Tenant.

14. Entry to Project by the Landlord. The Master Tenant shall permit the Landlord, and any of the Landlord's authorized representatives to enter the Project at reasonable times upon reasonable notice, and at any time in case of an emergency for the purpose of (i) inspecting the same, and showing the same to any prospective purchaser of the Landlord's interest or, within 6 months prior to the expiration of the Term

of this Agreement, any prospective tenants, (ii) making any necessary repairs thereto and performing any work therein that may be necessary by reason of the Master Tenant's failure to commence (and diligently pursue the completion of) any such repairs within 20 days after prior written notice from the Landlord or (iii) to perform any work related to any Landlord Capital Expenditures if not performed by the Master Tenant. Nothing herein shall imply any duty upon the part of the Landlord to do any such work which shall be the Master Tenant's responsibility and performance (subject to the payment obligations of the Landlord and the Master Tenant as set forth herein) thereof by the Landlord shall not constitute a waiver of the Master Tenant's default in failure to perform the same. The Landlord may inspect and audit Master Tenant's books and records to the extent the Landlord is required to do so in order to comply with the terms of the Initial Loan Documents.

15. Waiver of Subrogation Rights. The Landlord and the Master Tenant hereby each release the other party, and such other party's owners, members, managers, shareholders, beneficial interest holders, partners, agents, employees, officers, directors and authorized representatives, from any claims such releasing party may have for damage to the Project, personal property, Improvements and alterations of such party in or about the Project to the extent the same is covered by a policy of insurance insuring such party; provided, however, that this waiver shall be ineffective with respect to any insurance policy required to be maintained by the Landlord and the Master Tenant under this Agreement, as the case may be, unless consented to by the insurance company or companies issuing such insurance policy and shall be ineffective as to any such damage not covered by insurance required to be carried hereunder or, if greater in amount, insurance actually carried. The Landlord and the Master Tenant, as applicable, shall cause each fire or other casualty insurance policy maintained as set forth in Section 8 with respect to the Project or any portion thereof to provide that the insurance company waives all right to recovery of paid insured claims by way of subrogation against the other party in connection with any matter covered by such policy, to the extent such waiver is available.

16. Indemnification and Waiver.

16.1 The Master Tenant shall indemnify, defend and hold the Landlord harmless from and against any and all liabilities, damages, losses, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) actually suffered or incurred by the Landlord in connection with anything and everything whatsoever directly arising from or out of (i) any injury, illness or death to any person or damage to any property from any cause occurring in or upon or in any other way relating to the Project, (ii) the occupancy of the Project or any part thereof by, through or under the Master Tenant and (iii) any failure on the Master Tenant's part to comply with any of the covenants, terms, conditions, representations or warranties contained in this Agreement; provided, however, that in no event shall the foregoing indemnity apply to any damages arising out of, or because of, the negligence or willful misconduct of the Landlord or its agents, employees, officers and directors. This indemnity extends to liability for expenses (including, without limitation, reasonable attorneys' fees and out-of-pocket expenses at both trial and appellate levels) actually incurred by the Landlord in defending any action or proceeding (i) instituted against the Landlord by a third party, or in which the Landlord intervenes, or against the Master Tenant in which the Landlord is made a party or appears and (ii) to which the foregoing indemnity would apply.

16.2 The Landlord shall not be liable to the Master Tenant and the Master Tenant hereby waives all claims against the Landlord for any injury, illness or death of any person or damage to any property in or about the Project unless caused by the negligence or willful misconduct of the Landlord or its agents, contractors, employees, officers and directors.

16.3 In the event the Master Tenant is obligated to pay, or pays, out of the Master Tenant's own funds, any obligations of the Landlord under a Permitted Mortgage that is not otherwise an obligation of the Master Tenant under this Agreement, the Landlord shall be liable to the Master Tenant for the

reimbursement of such amount paid. The Landlord shall reimburse the Master Tenant for any such amount within 30 days of a demand for reimbursement from the Master Tenant. The Master Tenant may deduct an amount equal to the reimbursement, together with interest thereon as provided in Section 4.3, from any Base Rent or Additional Rent due under this Agreement, to the extent that, on any date when such Base Rent or Additional Rent becomes due, the amount deducted would not reduce the aggregate net amount paid by the Master Tenant below the aggregate amount then due and payable under the Permitted Mortgage.

16.4 The terms, covenants, provisions and conditions of this Section 16 shall survive the termination of this Agreement.

17. Damage or Destruction.

17.1 In the event of any material casualty to the Project, the Master Tenant shall promptly give written notice to the Landlord thereof. Subject to the terms of Sections 17.2 and 17.3, the Master Tenant shall be responsible for the Restoration of the Project and the Master Tenant shall be entitled to the use of all available proceeds from any insurance for purposes of completing the Restoration. The Landlord shall make the proceeds from any insurance policy held by the Landlord available to the Master Tenant to complete the Restoration. In such event this Agreement shall continue in full force and effect, without any change or reduction in Base Rent or Additional Rent, unless otherwise set forth below.

17.2 If the proceeds from any casualty insurance are insufficient to complete the Restoration, the Landlord shall fund any excess required to complete the Restoration. Any casualty proceeds in excess of the cost of Restoration shall be payable to, and retained by, the Landlord. The Landlord shall provide the Master Tenant with the funds necessary (in addition to available insurance proceeds) to fund any costs to complete the Restoration with respect to Landlord Costs. Absent receipt of the Landlord's agreement to fund such excess amount within 30 days, the Master Tenant may elect to terminate this Agreement upon notice to the Landlord within 20 days after the expiration of the 30-day period. With respect to any insurance proceeds from any loss of profits or rental insurance, the Landlord shall retain an amount equal to Base Rent and Additional Rent and shall remit the excess to the Master Tenant.

17.3 If either the Landlord or the Master Tenant shall determine, in its reasonable discretion, that Restoration of the Project cannot be completed prior to expiration of the rental value insurance maintained by the Master Tenant pursuant to Section 8, then, at the Landlord's election, either (i) this Agreement may be terminated by the Landlord upon 30 days' notice to the Master Tenant or (ii) this Agreement shall continue but all rent payments due hereunder shall be abated until 90 days after the Restoration has been completed. Notwithstanding the foregoing, neither the Landlord nor the Master Tenant may elect to terminate this Agreement pursuant to the preceding sentence if such termination would constitute a default under any Permitted Mortgage and, in the event such termination would constitute a default under a Permitted Mortgage, or if Restoration is otherwise required by such Permitted Mortgage, this Agreement shall remain in effect and the Master Tenant shall complete the Restoration in accordance with the terms of this Section.

17.4 If the casualty occurs within the last 12 months of the Term, and the casualty affects more than 50% of the Project, the Master Tenant may elect to terminate this Agreement, rather than undertake and complete the Restoration, without regard to the availability of proceeds from insurance or from the Landlord. Notwithstanding the foregoing, the Master Tenant may not elect to terminate this Agreement pursuant to the preceding sentence if such termination would constitute a default under any Permitted Mortgage and, in the event such termination would constitute a default under a Permitted Mortgage, or if Restoration is otherwise required by such Permitted Mortgage, the Master Tenant shall complete the Restoration in accordance with the terms of this Section. If the Master Tenant terminates this Agreement pursuant to this Section, the Landlord shall retain all insurance proceeds from any loss of profits or rental insurance for periods after the termination.

17.5 In the event that this Agreement is terminated pursuant to this Section 17, then the Base Rent and Additional Rent shall be prorated to the date of termination. In the event that some or all of the Project cannot be restored, and the Landlord and the Master Tenant elect not to terminate this Agreement, then the Base Rent shall be reduced (and the Master Tenant shall be credited for prior overpayments) by an amount reasonably determined by the Landlord and the Master Tenant. If the Landlord and the Master Tenant cannot, within 30 days, agree on the new Base Rent, either may require that the matter be settled in accordance with Section 25.

17.6 Except as provided herein, no destruction of or damage to the Project or any part thereof by fire or any other casualty shall permit the Master Tenant to surrender this Agreement or shall relieve the Master Tenant from the Master Tenant's liability to pay the full Base Rent and Additional Rent under this Agreement or from any of the Master Tenant's other obligations under this Agreement. The Master Tenant waives any rights now or hereafter conferred upon the Master Tenant by statute or otherwise to quit or surrender this Agreement or the Project or any part thereof, or to any suspension, diminution, abatement or reduction of rent on account of any such destruction or damage except as expressly set forth herein.

18. Condemnation.

18.1 Subject to any Loan Documents, in case of a Taking of all of the Project, this Agreement shall terminate and expire as of the Vesting Date and the Base Rent and Additional Rent under this Agreement shall be apportioned and paid to the Vesting Date.

18.2 Subject to any Loan Documents, in case of a Taking of less than all of the Project, the Landlord shall receive the entire award for the Taking and, except as specifically set forth in this Section, no claim or demand of any kind shall be made by the Master Tenant against the Landlord or any other party who could, by virtue of a claim against it, make a claim against the Landlord by reason of such Taking.

18.2.1 In the case of a Taking of a portion, but less than all, of the Project, the Master Tenant shall determine, in the Master Tenant's reasonable discretion, whether the remaining Project (after Restoration referred to in Section 18.2.3) (i) can be used for the Use, and (ii) will allow the Master Tenant to complete the Restoration for an amount not to exceed the proceeds from the Taking. If it is determined by the Master Tenant that the remaining Project cannot be used for the Use, then and in such event this Agreement shall terminate as of the Vesting Date and the Base Rent and Additional Rent shall be apportioned and paid to the date of termination and no other claim or demand of any kind shall be made by the Landlord or the Master Tenant by reason of such termination. If it is determined that the Master Tenant cannot complete the Restoration for an amount that is less than or equal to the proceeds from the Taking, then and in such event the Master Tenant can elect to terminate this Agreement as of the Vesting Date and the Base Rent and Additional Rent shall be apportioned and paid to the date of termination and no other claim or demand of any kind shall be made by the Landlord or the Master Tenant by reason of such termination; provided, however, that if there are at least 12 months remaining in the Term, the Landlord may agree to pay the excess Restoration expenses in which case this Agreement shall not terminate and the Master Tenant shall undertake the Restoration of the Project in accordance with the terms of Section 18.2.3.

18.2.2 If, in the case of a Taking of less than all of the Project, this Agreement is not terminated in accordance with the provisions of Section 18.2.1, this Agreement shall continue in full force and effect as to the remaining portion of the Project without any reduction in the Base Rent or Additional Rent, except as expressly provided in Section 18.3. No such partial Taking shall operate as or be deemed an eviction of the Master Tenant from that portion of the Project not affected by such partial Taking or in any way terminate, diminish, suspend, abate or impair the obligation of the Master Tenant to observe and perform fully all the covenants of this Agreement on the part of the Master Tenant to be performed with respect to the remainder of the Project unaffected by the partial Taking, except as to any reduction (if any) in the Base Rent as expressly provided in Section 18.3.

18.2.3 If, in the case of a Taking of less than all of the Project, this Agreement is not terminated in accordance with the provisions of Section 18.2.1, the Master Tenant shall, prior to the expiration of the Term of this Agreement, commence and proceed with reasonable diligence to complete the Restoration; provided, however, that the Landlord shall, in this case, make the award in the Condemnation Proceedings and, in the case of Section 18.2.1, such award plus any excess funds due from the Landlord, available to the Master Tenant to be utilized for Restoration of the Project as set forth in this Agreement. The Landlord shall be entitled to receive and retain the remainder of the award not needed to complete the Restoration.

18.3 In case of a Taking of less than all of the Project and if (i) this Agreement shall not terminate as provided in Section 18.2.1, and (ii) Restoration has been undertaken by the Master Tenant pursuant to the provisions of Section 18.2.3, then commencing as of the Vesting Date, the amount of the Base Rent payable by the Master Tenant under this Agreement shall be reduced (and the Master Tenant shall be credited for prior overpayments) by an amount reasonably determined by the Landlord and the Master Tenant. If the Landlord and the Master Tenant cannot, within 30 days, agree on the new Base Rent, either may require that the matter be settled in accordance with Section 25. The new Base Rent shall be established to provide the Master Tenant and the Landlord with the same economic return to which each was entitled prior to the Taking.

18.4 Each of the Landlord and the Master Tenant shall promptly deliver to the other any notices it receives with respect to a Condemnation Proceeding or threatened Condemnation Proceeding.

18.5 Notwithstanding anything herein to the contrary, the Master Tenant's and the Landlord's rights and obligations with respect to any Condemnation Proceeding or related proceeds derived therefrom shall, in all cases, be subject to the rights of the holder of any Permitted Mortgage.

19. Assignment, Subletting and Mortgaging.

19.1 The Master Tenant may not sell, assign, transfer, mortgage, pledge or otherwise dispose of this Agreement or any interest of the Master Tenant in this Agreement except with the Landlord's prior written consent (which the Landlord may grant or withhold in its sole and absolute discretion); provided, however, the Master Tenant may (subject to any approvals required under the Loan Documents which with respect to the Initial Loan will require Initial Lender's consent) assign or otherwise transfer to an affiliate its interest herein so long as such assignee has a net worth at least equal to the net worth, immediately prior to such transfer, of the Master Tenant. The Master Tenant understands and acknowledges that the Landlord will not approve any such transfer in the event that the Landlord is a DST. Notwithstanding the above, the Landlord and the Master Tenant shall comply with the terms of any Loan Documents with respect to the transfer of an interest in the Landlord or the Master Tenant.

19.2 If an assignment is consented to by the Landlord, no such assignment shall be valid unless (i) such permitted assignment complies with the provisions of this Agreement, and (ii) there shall be delivered to the Landlord in proper form for recording on the date of assignment (A) a duplicate original of the instrument of assignment, and (B) other than an assignment accomplished in conjunction with a Permitted Mortgage as additional collateral, an instrument of assumption by the transferee of all of the Master Tenant's obligations under this Agreement, including, without limitation, any unperformed obligations which have accrued as of the date of the assumption. Any such permitted assignee shall thereafter have all of the power, authority, rights, duties, obligations and liabilities of the Master Tenant hereunder. The new the Master Tenant shall be liable for the payment of all Base Rent and Additional Rent due hereunder and the performance of all terms, covenants and conditions to be performed by the Master Tenant under this Agreement, and the Master Tenant shall reaffirm the same to the Landlord in writing, in recordable form acceptable to the Landlord, prior to such transfer. Any single consent given by the Landlord hereunder shall not be deemed a waiver of the Landlord's right to future requests for consent

under this Section. If the Landlord is requested to approve a proposed assignment or Sublease, the Master Tenant shall be responsible for paying the fees and expenses of the Landlord's counsel for reviewing and/or preparing the appropriate materials and documents.

19.3 Without limiting in any way the rights and remedies of the Landlord hereunder, at law or in equity, but in addition thereto, any purported assignment, transfer, mortgage, pledge, disposition or encumbrance in contravention of the provisions of this Section shall be null and void and of no force and effect, but this shall not impair any remedy of the Landlord because of the Master Tenant having engaged in any act prohibited by, or in contravention of, the terms hereof.

19.4 Notwithstanding the above, the Master Tenant may sublet the whole or any portion of the Project without the necessity of obtaining the Landlord's prior consent; provided, however, that no such subletting shall be valid unless such permitted subletting complies with the provisions herein set forth. Without in any way limiting the rights and remedies of the Landlord hereunder, but in addition thereto, any purported subletting in contravention hereof shall be null and void and of no force and effect and not thereby impair any right or remedy available to the Landlord as the result of the Master Tenant's having engaged in an act prohibited by, or in contravention of, the terms hereof, nor shall such permitted subletting relieve the Master Tenant of any of the Master Tenant's obligations hereunder and the Master Tenant assumes and shall be responsible for and shall be liable to the Landlord for all acts on the part of any present or future Subtenant, which, if done by the Master Tenant would constitute a Default hereunder. Notwithstanding anything contained herein to the contrary, in the event the Landlord is a DST, the Master Tenant shall not have the right to enter into Subleases that extend beyond the Term of this Agreement without the Landlord's prior consent. In the event that the Landlord is not a DST, the Master Tenant shall have the right to enter into Subleases that extend beyond the Term of this Agreement without receiving the prior consent of the Landlord so long as such Subleases comply with the following provisions:

19.4.1 Each Sublease shall be deemed by law subject and subordinate to this Agreement;

19.4.2 Each Sublease shall be with a bona-fide arm's length Subtenant;

19.4.3 No Sublease shall contain any rental concessions or other concessions which are not then customary and reasonable for similar properties and leases in the market area of the Project as reasonably determined by the Master Tenant;

19.4.4 The rental rate for each Sublease shall be at least at the market rate then prevailing for similar properties and leases in the market areas of the Project as reasonably determined by the Master Tenant;

19.4.5 No Sublease shall have the rent paid thereunder calculated based on the net income of the Subtenant; provided, however, that the rent may be calculated based on gross income of the Subtenant; and

19.4.6 Each Subtenant under the Sublease demonstrates sufficient credit worthiness to support the Sublease payments as reasonably determined by the Master Tenant or the Subtenant provides for (i) a sufficient security deposit or (ii) guarantee, all as reasonably determined by the Master Tenant.

For proposed Subleases that do not comply with the above provisions, the Master Tenant must obtain the Landlord's prior approval.

19.5 Each Sublease of the whole or a portion of the Project entered into after the date hereof must in each instance contain provisions substantially as follows:

“Tenant acknowledges and agrees that this Lease and all rights of Tenant hereunder are subject and subordinate to that certain Master Lease Agreement (“Master Lease”) relating to the Project dated December 30, 2021 by and between The Maywood Apartments, a Delaware statutory trust, as the Landlord (“Master Lessor”) and CP Maywood Apartments MT, LLC, a Delaware limited liability company, and its successors or assigns (“Master Tenant”), as the Master Tenant. Tenant covenants and agrees that, if the Master Lease shall be terminated for any reason or if for any other reason of any nature whatsoever Tenant would have the right to terminate this lease and the leasehold estate of the Tenant, Tenant agrees to attorn to and recognize Master Lessor as Tenant’s landlord under this Lease. Tenant covenants and agrees to execute and deliver, at any time and from time to time, upon the request of Master Lessor, any instrument which may be necessary or appropriate to evidence such attornment. Tenant 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 Tenant any right of election to terminate this Lease or to surrender possession of the Project demised hereby, if the Master Lessor shall have requested in writing that Tenant agree that this Lease shall not be affected in any way whatsoever by any such proceeding or termination.”

The Landlord hereby agrees that, if requested by a Subtenant, a Sublease shall contain, and the Landlord hereby appoints the Master Tenant as the Landlord’s attorney-in-fact to execute and deliver, a non-disturbance agreement from the Master Tenant and the Landlord in favor of such Subtenant.

19.6 Any such Sublease shall be accomplished in accordance with the terms of any Permitted Mortgage and, if a desired Sublease does not meet the terms of such requirements, the Master Tenant shall not finalize such Sublease without obtaining, whether directly or indirectly through the Landlord, the necessary consent to the form of such Sublease from the holder of any Permitted Mortgage.

19.7 Any application by the Master Tenant for the Landlord’s written consent under any paragraph of this Section 19 shall be made in writing to the Landlord. The Landlord’s failure to disapprove any such application within 10 business days shall be deemed to be an approval by the Landlord.

19.8 The Master 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 Master Tenant is not in Default hereunder, the Master Tenant shall have the right to collect and receive such rents for the Master Tenant’s own uses and purposes. The effective date of the Landlord’s right to collect rents shall be the date of the happening of a Default under Section 20. Upon a 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 Master Tenant from performance by the Master Tenant of the Master Tenant’s obligations under this Agreement. The Master 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.

19.9 Any attempted Sublease or assignment in violation of the requirements of this Section 19 shall be null and void and, at the option of the Landlord, shall constitute a Default by the Master Tenant under this Agreement. To the extent consent is required, the giving of consent by the Landlord in one instance shall not preclude the need for the Master Tenant to obtain the Landlord’s consent to further sublettings or assignments under this Section 19. If the Landlord’s approval is required and obtained, the Master Tenant or the prospective Subtenant or assignee shall be responsible for preparing the appropriate

documentation and shall reimburse the Landlord for the Landlord's reasonable costs and expenses in reviewing and approving the Sublease or assignment and related documentation.

19.10 If the Master Tenant is in Default hereunder pursuant to Section 20.1.4 and the Master Tenant elects to assume this Agreement and then proposes to assign the same pursuant to the provisions of the Bankruptcy Code, 11 U.S.C. Section 10.1 et seq. (the "Bankruptcy Code") to any person or entity who shall have made a bona fide offer to accept an assignment of this Agreement on terms acceptable to the Master Tenant then notice of such proposed assignment, setting forth (i) the name and address of such person, (ii) all the terms and conditions of such offer and (iii) the adequate assurances to be provided the Landlord to ensure such person's future performance under this Agreement, including, without limitation, the assurances referred to in Section 365(b)(d) of the Bankruptcy Code, shall be given to the Landlord by the Master Tenant no later than 20 days after receipt thereof by the Master Tenant, but in any event no later than 10 days prior to the date that the Master Tenant shall make application to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and the Landlord shall thereupon have the prior right and option to be exercised by notice to the Master Tenant given at any time prior to the effective date of such proposed assignment, to accept an assignment of this Agreement upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such person less any brokerage commissions which may be payable out of the consideration to be paid by such person for the assignment of this Agreement. Any and all monies or other consideration constituting the Landlord's property under the preceding sentence not paid or delivered to the Landlord shall be held in trust for the benefit of the Landlord and shall be promptly paid to or turned over to the Landlord. Any person or entity to which this Agreement is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Agreement on and after the date of such assignment. Any such assignee shall upon demand execute and deliver to the Landlord an instrument in form, scope and substance acceptable to the Landlord, confirming such assumption.

19.11 The Landlord may assign its rights under this Agreement to the Springing LLC (the "Successor Landlord"). The Successor Landlord shall take such interest subject to this Agreement, and the assigning the Landlord and the Successor Landlord shall execute an agreement whereby (i) the assigning the Landlord assigns to the Successor Landlord all of its right, title and interest in and to this Agreement and (ii) the Successor Landlord assumes and agrees to perform faithfully and to be bound by all of the terms, covenants, conditions, provisions and agreements of this Agreement with respect to the interest to be transferred. Upon execution of such assignment and assumption agreement, the assigning the Landlord shall be relieved of all liability accruing after the effective date of the assignment with respect to the interest so assigned and, without further action by any party, the Successor Landlord shall become a party to this Agreement.

19.12 Every assignee and Subtenant hereunder, if not a natural person, shall be formed and existing under the laws of a state, district or commonwealth of the United States of America.

19.13 The Master Tenant shall not mortgage or otherwise encumber the Master Tenant's interest in this Agreement without the Landlord's consent and, to the extent required by any Initial Loan Documents, the Lender.

20. Events of Default and the Landlord's Remedies.

20.1 Each of the following shall be deemed a "Default" by the Master Tenant, and after the occurrence of any of the following, the Master Tenant shall be "in Default" under this Agreement:

20.1.1 A failure on the part of the Master Tenant to pay any installment of Base Rent or Additional Rent on the date such Base Rent or Additional Rent becomes due, which failure is not cured within 10 days after the Landlord delivers written notice of such failure to the Master Tenant;

20.1.2 A failure (i) on the part of the Master Tenant, whether by action or inaction, to observe or perform any of the other terms, covenants or conditions of this Agreement or (ii) of any material representation or warranty made by the Master Tenant in this Agreement to be accurate in all material respects, which failure to observe or perform or to be accurate (or, in the case of an inaccurate representation or warranty, the adverse effect therefrom) is not cured within 30 days after the Landlord delivers written notice of such failure to the Master Tenant, provided, however, that if such failure (or, if applicable, adverse effect) is subject to cure but cannot be cured within such 30 day period, the Master Tenant shall not be in Default hereunder if it promptly commences, and diligently pursues, the curing of such failure or adverse effect; provided further, however, that if such cure period shall exceed 90 days, and such Default is not the result of an affirmative act by the Master Tenant, then the Master Tenant shall thereafter be provided additional time to cure such Default. In the event that the Master Tenant satisfies the standards for such additional time then the Master Tenant shall provide the Landlord with written notice advising the Landlord of the Master Tenant's reasonable estimate of the necessary cure period and the Master Tenant shall thereafter provide the Landlord, by way of monthly reports, the status of such cure. If the Master Tenant fails to cure the failure within the originally estimated curative period, without reasonable cause, such failure shall constitute a Default hereunder. Notwithstanding the foregoing, the Landlord, by written notice to the Master Tenant, may limit the aggregate cure period to not more than 120 days;

20.1.3 The leasehold hereunder demised is taken on execution or other process of law in any action against the Master Tenant;

20.1.4 If the Master Tenant files a voluntary petition in bankruptcy or is adjudicated bankrupt or insolvent, or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or any future applicable federal, state or other statute or law relative to bankruptcy, insolvency, or other relief for debtors, or seeks or consents to or acquiesces in the appointment of any trustee, receiver, conservator or liquidator of the Master Tenant or of all or any substantial part of the Master Tenant's properties or the Master Tenant's interest in this Agreement (the term "acquiesce" as used in this Section 20.1.4 includes, without limitation, the failure to file a petition or motion to vacate or discharge any order, judgment or decree within 5 days after entry of such order, judgment or decree); or a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against the Master Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act, or any other present or future applicable federal, state or other statute or law relating to bankruptcy, insolvency or other relief for debtors, and the Master Tenant acquiesces in the entry of such order, judgment or decree or such order, judgment or decree remains unvacated and unstayed for an aggregate of 120 days (whether or not consecutive) from the date of entry thereof, or any trustee, receiver, conservator or liquidator of the Master Tenant or of all or any substantial part of the Master Tenant's property or the Master Tenant's interest in this Agreement shall be appointed without the consent or acquiescence of the Master Tenant and such appointment remains unvacated and unstayed for an aggregate of 120 days (whether or not consecutive);

20.1.5 If this Agreement or any estate of the Master Tenant hereunder shall be levied upon under any attachment or execution and such attachment or execution is not vacated within 120 days;

20.1.6 If the Master Tenant or the Master Tenant's general partner or manager shall cause or institute any proceeding, or a final and non-appealable court order shall be issued, for the dissolution or termination of the Master Tenant or the Master Tenant's general partner or manager;

20.1.7 If the Master Tenant makes a general assignment for the benefit of creditors or takes any other similar action for the protection or benefit of creditors;

20.1.8 If the Master Tenant takes or fails to take any action which is in violation of the terms of any Permitted Mortgage and (i) such violation is not cured within any applicable cure periods under such Permitted Mortgage, and (ii) the obligation secured by such Permitted Mortgage is accelerated by reason thereof;

20.1.9 While the Initial Loan is outstanding, the Master Tenant (i) amends or alters Section 7.8 of its limited liability company agreement or (ii) violates the terms of Section 7.8 of its limited liability company agreement; or

20.1.10 While the Initial Loan is outstanding, without the prior written consent of the Landlord, there is a transfer of a direct or indirect interest in the Master Tenant which results in a change in Control of the Master Tenant. Notwithstanding the above, it shall not be an event of Default if there is a change in Control because a direct or indirect interest in the Master Tenant has been transferred by devise or bequest after the death of a direct or indirect owner in the Master Tenant or as otherwise permitted under the Initial Loan Documents.

20.2 In the event of any Default by the Master Tenant as hereinabove provided in this Section, the Landlord shall have the option to pursue any one or more of the following remedies without any notice (except as otherwise specifically set forth herein) or demand for possession whatsoever: (i) with 10 days prior written notice, terminate this Agreement, in which event the Master Tenant shall immediately surrender the Project to the Landlord; (ii) with 10 days prior written notice, terminate the Master Tenant's right to occupy and possess the Project and re-enter and take possession of the Project (without terminating this Agreement); (iii) enter the Project and do whatever the Master Tenant is obligated to do under the terms of this Agreement and the Master Tenant agrees to reimburse the Landlord on demand for any expenses which the Landlord may incur in effecting compliance with the Master Tenant's obligations under this Agreement, and the Master Tenant further agrees that the Landlord shall not be liable for any damages resulting to the Master Tenant from such action; and (iv) exercise all other remedies available to the Landlord at law or in equity, including, without limitation, injunctive relief of all varieties. The Landlord's election to pursue one of the remedies set forth above shall not impair the Landlord's exercise of alternate remedies or additional remedies or constitute a waiver of any other remedy available to the Landlord.

20.2.1 In the event that the Landlord elects to terminate this Agreement, then, notwithstanding such termination, the Master Tenant shall be liable for and shall pay to the Landlord the sum of all Base Rent and Additional Rent accrued to the date of such termination. In the event that the Landlord elects to take possession of the Project and terminate the Master Tenant's right to occupy the Project without terminating this Agreement, the Landlord shall have the right to enforce all its rights and remedies under this Agreement, including the right to recover all Base Rent and Additional Rent as it becomes due under this Agreement. In addition, the Master Tenant shall be liable for and shall pay to the Landlord on demand, an amount equal to (i) the reasonable and documented out-of-pocket costs of recovering possession of the Project, (ii) the reasonable and documented out-of-pocket costs of removing and storing the Master Tenant's and any other occupant's (except for all permitted Subtenants) property located therein, (iii) the reasonable and documented out-of-pocket costs of repairs to the Project accruing only during the period in which the Master Tenant occupied the Project and (iv) the reasonable and documented out-of-pocket costs of collecting any of the foregoing amounts from the Master Tenant. Notwithstanding the foregoing, the Landlord shall use reasonable efforts to mitigate all damages and costs resulting from any actions taken under this Agreement.

20.2.2 In the event the Landlord elects to re-enter or take possession of the Project after the Master Tenant's Default, the Master Tenant hereby waives notice of such re-entry or repossession and

of the Landlord's intent to re-enter or retake possession. The Landlord may, without prejudice to any other remedy which the Landlord may have, expel or remove the Master Tenant and any other person who may be occupying the Project or any part thereof (other than any Subtenant under a Sublease). All of the Landlord's remedies shall be cumulative and not exclusive. Forbearance by the Landlord to enforce one or more of the remedies herein provided upon an event of Default shall not be deemed or construed to constitute a waiver of such Default.

20.2.3 This Section shall be enforceable to the maximum extent not prohibited by applicable law, and the unenforceability of any portion thereof shall not thereby render unenforceable any other portion. No act by the Landlord or the Landlord's agents during the Term of this Agreement shall be deemed an acceptance of an attempted surrender of the Project, and no agreement to accept a surrender of the Project shall be valid unless made in writing and signed by the Landlord. No re-entry or taking of possession of the Project by the Landlord shall be construed as an election on the Landlord's part to terminate this Agreement unless a written notice of such termination is given to the Master Tenant.

20.2.4 Damages under this Section 20.2 shall be the following:

(a) the amount of any rent deficiency, to the extent that the payment of rent by the Subtenants is not sufficient to pay the Base Rent and Additional Rent, all reasonable and documented legal expenses and other related reasonable and documented out-of-pocket costs incurred by the Landlord following the Master Tenant's Default,

(b) all reasonable and documented out-of-pocket costs incurred by the Landlord in restoring the Project to good order and condition; and

(c) any other damages available to the Landlord under applicable law.

20.3 If the Landlord shall enter into and repossess the Project by reason of the Default of the Master Tenant in the performance of any of the terms, covenants or conditions herein contained, then in that event the Master Tenant hereby covenants and agrees that the Master Tenant shall not claim the right to redeem or re-enter the Project or restore the operation of this Agreement, and the Master Tenant hereby waives any right to such redemption and re-entry under any present or future law, and does hereby further, for any party claiming through or under the Master Tenant, expressly waive its right, if any, to make payment of any sum or sums of rent, or otherwise, of which the Master Tenant shall have been in Default under any of the covenants of this Agreement, and to claim any subrogation to the rights of the Master Tenant under this Agreement, or any of the covenants thereof, by reason of such payment.

20.4 No receipt of monies by the Landlord from the Master Tenant after the termination or cancellation of this Agreement in any lawful manner shall reinstate, continue or extend the Term of this Agreement, or affect any notice given to the Master Tenant, or operate as a waiver of the right of the Landlord to enforce the payment of Base Rent or Additional Rent then due, or operate as a waiver of the right of the Landlord to recover possession of the Project by proper suit, action, proceeding or remedy: it being agreed that, after the service of notice to terminate or cancel this Agreement, or the commencement of suit, action or summary proceedings, or any other remedy, or after a final order or judgment for the possession of the Project, the Landlord may demand, receive and collect any monies due, without in any manner affecting such notice, proceeding, suit, action, order or judgment; and any and all such monies collected shall be deemed to be payment on account of the use and occupation or the Master Tenant's liability hereunder.

20.5 The failure of the Landlord to insist in any one or more instances upon a strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall not be construed as a waiver of or relinquishment for the future of the performance of such a covenant, or the right to exercise

such option, but the same shall continue and remain in full force and effect. The receipt by the Landlord of Base Rent or Additional Rent, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Landlord of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Landlord.

20.6 All the rights and remedies herein given to the Landlord for the recovery of the Project because of the Default by the Master Tenant in the payment of any sums which may be payable pursuant to the terms of this Agreement, or the right to re-enter and take possession of the Project upon the happening of any event of Default, or the right to maintain any action for rent or damages and all other rights and remedies allowed at law or in equity, are hereby reserved and conferred upon the Landlord as distinct, separate and cumulative rights and remedies, and no one of them, whether exercised by the Landlord or not, shall be deemed to be in exclusion of any of the others.

21. Hazardous Substances.

21.1 The Master Tenant hereby represents, warrants, covenants and agrees to and with the Landlord that all operations or activities upon, or any use or occupancy of the Project, or any portion thereof, by the Master Tenant, and any tenant, Subtenant or occupant of the Project, or any portion thereof, shall throughout the Term of this Agreement be in all material respects in compliance with all existing and future federal, state and local laws and regulations governing, or in any way relating to the generation, handling, manufacturing, treatment, storage, use, transportation, spillage, leakage, dumping, discharge or disposal of any hazardous or toxic substances, materials or wastes (“Hazardous Substances”), including, but not limited to, those substances, materials, or wastes now or hereafter listed in the United States Department of Transportation Hazardous Materials Table at Section 49 CFR 172.101 or by the Environmental Protection Agency in Section 40 CFR Part 332 and amendments thereto, or such substances, materials or wastes otherwise now or hereafter regulated under any applicable federal, state or local law. The Master Tenant agrees to comply with the terms and provisions of the Initial Loan Documents relating to Hazardous Substances.

21.2 For the purposes of this Section, “PCB” shall include all substances included under the definition of PCB in 40 CFR Section 761.3. The Master Tenant hereby represents, warrants, covenants and agrees to and with the Landlord that, to the best of the Master Tenant’s knowledge, (i) there is not present upon the Project, or any portion thereof, or contained in any transformers or other equipment thereon, any PCBs, and (ii) the Master Tenant shall throughout the Term of this Agreement not permit to be present upon the Project, or any portion thereof, or contained in any transformers or other equipment thereon, any PCBs.

21.3 The Master Tenant hereby represents, warrants, covenants and agrees to and with the Landlord that, to the best of the Master Tenant’s knowledge and except as disclosed to the Landlord prior to the date hereof, (i) there is not present upon the Project, or any portion thereof, any asbestos or any structures, fixtures, equipment or other objects or materials containing asbestos, and (ii) the Master Tenant shall throughout the Term of this Agreement not permit to be present upon the Project, or any portion thereof, any asbestos or any structures, fixtures, equipment or other objects or materials containing asbestos.

21.4 The Master Tenant agrees to indemnify, protect, defend (with counsel approved by the Landlord) and hold the Landlord, and the directors, officers, shareholders, partners, members, employees and agents of the Landlord, harmless from and against any and all claims (including, without limitation, third party claims for personal injury or real or personal property damage), actions, administrative proceedings (including, without limitation, informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities (including, without limitation, sums paid in settlement of claims), losses, including, without limitation, reasonable attorneys’ fees and expenses (including, without limitation, any such fees and expenses incurred in enforcing this Agreement or collecting any sums due hereunder),

consultant fees and expert fees, together with all other costs and expenses of any kind or nature (collectively, the "Hazardous Substance Costs") that arise directly or indirectly from or in connection with the presence or release of any Hazardous Substances in or into the air, soil, surface water, groundwater or soil vapor at, on, under, over or within the Project, or any portion thereof from and after the Commencement Date and otherwise during the Term as a result of the Master Tenant's gross negligence. In the event the Landlord shall suffer or incur any such Hazardous Substance Costs, the Master Tenant shall pay to the Landlord the total of all such Hazardous Substance Costs suffered or incurred by the Landlord upon demand therefor by the Landlord. Without limiting the generality of the foregoing, the indemnification provided by this Section shall specifically cover all Hazardous Substance Costs, including, without limitation, capital, operating and maintenance costs, incurred in connection with any investigation or monitoring of site conditions, any clean-up, containment, remedial, removal or restoration work required or performed by any federal, state or local governmental agency or political subdivision or performed by any nongovernmental entity or person because of the presence or release of any Hazardous Substances in or into the air, soil, groundwater, surface water or soil vapor at, on, under, over or within the Project (or any portion thereof), as well as any claims of third parties for loss or damage due to such Hazardous Substances. In addition, the indemnification provided by this Section shall include, without limitation, all liability, loss and damage sustained by the Landlord due to any Hazardous Substances that migrate, flow, percolate, diffuse or in any way move onto, into or under the air, soil, groundwater, surface water or soil vapor at, on, under, over or within the Project (or any portion thereof) after the date of this Agreement, provided, however, that the provisions of this Section shall not apply to Hazardous Substance Costs associated with the release, discharge, disposal, dumping, spilling or leaking onto the Project of Hazardous Substances occurring (i) as a result of the negligence or willful misconduct of any or all of the Landlord and its agents, contractors, employees, officers or directors, (ii) at any time when the Landlord or its agent is in control, or has taken possession of, the Project or (iii) after the expiration of this Agreement (collectively, "Landlord Hazardous Substance Costs"). The Landlord agrees to indemnify, protect, defend (with counsel approved by the Master Tenant) and hold the Master Tenant, and the directors, officers, shareholders, partners, members, employees and agents of the Master Tenant, harmless from and against any and all Landlord Hazardous Substance Costs.

21.5 In the event any investigation or monitoring of site conditions or any clean-up, containment, restoration, removal or other remedial work (collectively the "Remedial Work") is required under any applicable federal, state or local law or regulation, by any judicial order, or by any governmental entity, the Master Tenant shall perform or cause to be performed the Remedial Work in compliance with such law, regulation, order or agreement. All Remedial Work shall be performed by one or more contractors all of whom shall have all necessary licenses and expertise to perform such work. The contractor or contractors (selected by the Master Tenant) shall perform the Remedial Work under the supervision of an environmental consulting engineer, selected by the Master Tenant and approved in advance in writing by the Landlord. All costs and expenses of such Remedial Work shall be paid by the Master Tenant to the extent arising during the Term or from facts occurring during the Term or, if otherwise, by the Landlord, including, without limitation, the charges of such contractor(s) and/or the environmental consulting engineer (excluding specifically, however, the Landlord's attorneys' fees and expenses incurred in connection with monitoring or review of such Remedial Work). In the event the Master Tenant shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, the Landlord may, but shall not be required to, cause such Remedial Work to be performed, and all costs and expenses thereof, or incurred in connection therewith, shall be Hazardous Substance Costs within the meaning this Section. All such Hazardous Substance Costs shall be due and payable upon demand therefor by the Landlord.

21.6 The Landlord reserves the right, to be exercised from time to time during the Term of this Agreement, to inspect or cause the Landlord's contractors and/or environmental consulting engineers to inspect the Project in order to confirm that no Hazardous Substances are located on, in or under any portion

of the Project, provided, however, that the Landlord or its contractor or engineer, as applicable, shall have provided evidence of insurance satisfactory to the Master Tenant with respect to any actions taken on the Project. The fees and expenses incurred by the Landlord with respect to said inspections shall be paid by the Landlord. If any Hazardous Substances are discovered by said inspection to be located on, in or under the Project, the Master Tenant shall, at the Master Tenant's sole cost and expense if they arise during the Term or from facts occurring during the Term or otherwise at the Landlord's sole cost and expense (and in addition to the Master Tenant's other obligations and liabilities under this Section): (i) forthwith have all such Hazardous Substances removed from the Project if and to the extent required by applicable laws, ordinances, rules and regulations, (ii) dispose of all Hazardous Substances so required to be removed in accordance with all applicable laws, ordinances, rules and regulations, and (iii) restore the Project, provided, however, that the provisions of this Section shall not apply to release, discharge, disposal, dumping, spilling or leaking onto the Project of Hazardous Substances occurring (i) as a result of the negligence or willful misconduct of any or all of the Landlord and its agents, contractors, employees, officers or directors, (ii) at any time when the Landlord or its agent is in control, or has taken possession of, the Project or (iii) after the expiration of this Agreement, all of which shall be the responsibility of the Landlord. Nothing contained in this Section 21.6 shall be deemed or construed to amend, modify or replace any other obligation of the Master Tenant set forth in this Section 21.

21.7 Each of the covenants, agreements, obligations, representations and warranties of the Master Tenant set forth in this Section shall survive the expiration or sooner termination of this Agreement.

22. Subordination.

22.1 The Master Tenant and the Landlord agree that this Agreement shall be subject and subordinate at all times to the terms and conditions and provisions of the Loan Documents and of any Permitted Mortgage. In the event that the Lender forecloses the Landlord's interest in the Project or accepts a deed in lieu of foreclosure from the Landlord as a result of the Landlord's default, then, at the Lender's election, this Agreement shall be terminated and the Master Tenant shall not be deemed to, or have any right to, attorn to the Lender and Lender may assign the Landlord's interest without Master Tenant's consent.

22.2 The Master Tenant acknowledges and agrees that its leasehold rights created by this Agreement are intended to be subject and subordinate to, and constitute an integral component of, the financing that is secured by a Permitted Mortgage. The Master Tenant agrees, in consideration of the Landlord's commitment to enter into this Agreement, and the grant of the related rights to the Master Tenant hereunder, to execute certain of the Loan Documents comprising, and to subordinate its interest in certain of its assets to the interest of the Lender under a Permitted Mortgage. The Landlord and the Master Tenant agree that the Master Tenant shall subordinate its interests in such assets pursuant to the terms of the Permitted Mortgage, to any of the foreclosure rights held by the Lender under, a Permitted Mortgage arising in, from and under the Permitted Mortgage, whether or not such foreclosure arises from any default caused by the Master Tenant's actions or inactions, it being the express understanding of the Landlord and the Master Tenant, after due negotiation, to have the Master Tenant's interest in such assets subordinated to the rights of the Lender under the Permitted Mortgage for all purposes. In furtherance of the foregoing, the Master Tenant acknowledges and agrees, and further consents to, the assignment by the Landlord of the Landlord's interest in and to this Agreement pursuant to the Loan Documents, including the rights of the Landlord to enforce the provisions of this Section.

23. General Provisions.

23.1 This Agreement shall not be affected by any laws, ordinances or regulations, whether federal, state, county, city, municipal or otherwise, which may be enacted or become effective from and after the date of this Agreement affecting or regulating or attempting to affect or regulate the Base Rent or

Additional Rent herein reserved or continuing in occupancy the Master Tenant or any Subtenants or assignees of the Master Tenant's interest in the Project beyond the dates of termination of their respective leases, or otherwise.

23.2 Title headings are inserted for convenience only, and do not define or limit, and shall not be used to construe, any Section or provision to which they relate.

23.3 The acceptance by the Landlord of a check or checks drawn by someone other than the Master Tenant shall in no way affect the Master Tenant's liability hereunder nor shall it be deemed an approval of any assignment of this Agreement or any Sublease of all or a part of the Project not consented to by the Landlord or an approval of the Master Tenant's failure to comply with any covenant of this Agreement.

23.4 This Agreement (including the attached Exhibits) contains the entire agreement between the parties regarding the subject matter hereof, and any agreement hereafter made shall not operate to change, modify or discharge this Agreement in whole or in part unless such agreement is in writing and signed by the party sought to be charged therewith.

23.5 The Landlord and the Master Tenant shall each, without charge, at any time and from time to time, promptly after request by the other party, certify by written instrument, duly executed, acknowledged and delivered, to the other party or any person, firm or corporation specified by the other party:

23.5.1 that this Agreement is unmodified and in full force and effect or, if there have been any modifications, that the same is in full force and effect as modified and stating the modifications;

23.5.2 whether or not there are then existing any set-offs or defenses against the enforcement of any of the agreements, terms, covenants or conditions hereof and any modifications thereof upon the part of the Master Tenant to be performed or complied with, and, if so, specifying the same;

23.5.3 the dates, if any, to which the Base Rent and Additional Rent and other charges hereunder have been paid; and

23.5.4 the Base Rent and the Additional Rent.

23.6 The term "Landlord" as used in this Agreement means only the party that has executed this Agreement as the Landlord as of the date hereof and its successors and assigns. So long as this Agreement survives any such transfer and the Master Tenant's rights and obligations hereunder are not materially adversely affected (or this Agreement terminated pursuant to Section 3.8), the Landlord may, subject to any other restrictions under applicable law or other agreements governing the interests of the Landlord, including any Permitted Mortgage, sell, assign, mortgage or otherwise encumber, convey or transfer its fee interest in the Project or some or all of its interest in this Agreement during the term of this Agreement; provided that such assignee shall execute and deliver an instrument providing for an assignment and assumption of this Agreement. Any such successor or assign of the Landlord shall be deemed a permitted Successor Landlord.

23.7 Time is of the essence of each and every provision of this Agreement.

23.8 No broker's, finder's, financial advisor's or other similar fee or commission is due in connection with entering into this Agreement by the Master Tenant.

23.9 Except as otherwise set forth herein, all notices under this Agreement shall be (i) in writing, (ii) delivered, in person, (iii) mailed, postage prepaid, either by registered or certified delivery, return receipt requested, (iv) sent by (x) overnight courier or (y) electronic mail with originals to follow by overnight courier, (v) addressed to the intended recipient at the Landlord's notice address and the Lender's notice address, as applicable, and (vi) deemed given on the earlier to occur of:

(a) the date when the notice is received by the addressee; or

(b) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.

Any party to this Agreement may change the address to which notices intended for it are to be directed by means of notice given as directed to this Section. Neither the Landlord nor the Master Tenant shall refuse or reject delivery of any notice given in accordance with this Agreement. Each party is required to acknowledge, in writing, the receipt of any notice upon request by the other party.

Any notice, demand, request or other communication which may be permitted, required or desired to be given in connection herewith shall be given in writing and directed to the Landlord and the Master Tenant as follows:

Landlord:	The Maywood Apartments 1600 Dove Street, Suite 450 Newport Beach, CA 92660 Attn: Justin Morehead
Master Tenant:	CP Maywood Apartments MT, LLC 1600 Dove Street, Suite 450 Newport Beach, CA 92660 Attn: Justin Morehead
With a copy to:	DLA Piper LLP (US) 4365 Executive Drive, Suite 1100 San Diego, CA 92121 Attn: Darryl Steinhouse, Esq.

Any notice of default shall also copy the Lender at:

Lender:	Arbor Commercial Funding I, LLC 3370 Walden Avenue, Suite 114 Depew, NY 14043 Attn: Loan Servicing
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23.10 The Master Tenant, upon paying the Base Rent and Additional Rent due hereunder and performing the other terms, provisions and covenants of this Agreement on the Master Tenant's part to be performed, shall, and may, at all times during the Term of this Agreement peaceably and quietly have, hold and enjoy the Project, subject to the terms hereof.

23.11 In the event of a merger, consolidation, acquisition, sale or other disposition involving the Master Tenant or all or substantially all the assets of the Master Tenant to one or more other entities, in

addition to the other requirements set forth in this Agreement, the surviving entity or transferee of assets, as the case may be, shall: (i) be formed and existing under the laws of a state, district or commonwealth of the United States of America and (ii) deliver to the Landlord an acknowledged instrument in recordable form assuming all obligations, covenants and responsibilities of the Master Tenant under this Agreement and under any instrument executed by the Master Tenant relating to the Project or this Agreement.

23.12 This Agreement shall be construed and enforced in accordance with the laws of the State in which the Project is located without regard to any applicable conflicts of laws or principles that would require the application of the law of any other jurisdiction and venue with respect to any action to construe or enforce this Agreement shall be laid in the State where the Project is located.

23.13 There shall be no merger of this Agreement or the Master Tenant's leasehold estate with the fee estate in the Project by reason of the fact that the same person acquires or holds, directly or indirectly, this Agreement or the leasehold estate or any interest therein as well as any of the fee estate in the Project. The initial Landlord and the Master Tenant specifically waive and disclaim any merger of the fee and leasehold estates in the Project, it being their intention to hold separate and independent estates in the Project pursuant to this Agreement.

23.14 This Agreement may be executed in two or more counterparts, and all such counterparts shall be deemed to constitute but one and the same instrument.

23.15 Any consent granted by a party under this Agreement shall not constitute a waiver of the requirement for consent in subsequent cases. Where the Landlord's consent is required, the Master Tenant shall be required to obtain further consent in each subsequent instance as if no consent had been given previously.

23.16 Except as otherwise provided herein, in the event of any action or proceeding at law or in equity between the Landlord and the Master Tenant, including, without limitation, an action or proceeding between the Landlord and the trustee or debtor in a proceeding under the Bankruptcy Code, to enforce any provision of this Agreement or to protect or establish any right or remedy of either the Landlord or the Master Tenant hereunder, the unsuccessful party to such action or proceeding shall pay to the prevailing party all costs and expenses, including, without limitation, reasonable attorneys' fees and expenses, incurred in such action or proceeding and in any appeal in connection therewith by such prevailing party, whether or not such action, proceeding or appeal is prosecuted to judgment or other final determination, together with all costs of enforcement and/or collection or any judgment or other relief. The term "prevailing party" shall include, without limitation, a party who obtains legal counsel or brings an action against the other by reason of the other's breach or default and obtains substantially the relief sought, whether by compromise, settlement or judgment. If such prevailing party shall recover judgment in any such action, proceeding or appeal, such costs, expenses and attorneys' fees and expenses shall be included in and as a part of such judgment, together with all costs of enforcement and/or collection of any judgment or other relief.

23.17 Each provision of this Agreement shall be separate and independent, and the breach of any provision by the Landlord shall not discharge or relieve the Master Tenant from any of the Master Tenant's obligations, except to the extent the Master Tenant has duly performed any such obligations of the Master Tenant. Each provision shall be valid and shall be enforceable to the extent not prohibited by law. If any provision or its application to any persons or circumstance shall be invalid or unenforceable, the remaining provisions, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected. Subject to Section 23.6, all provisions contained in this Agreement shall be binding upon, inure to the benefit of, and shall be enforceable by the successors and assigns of the Landlord to the same extent as if each such successor and assign were named as a party to this Agreement. Subject to Section 19, all provisions contained in this Agreement shall be binding upon the successors and assigns of the Master Tenant and shall inure to the benefit of and be enforceable by the

successors and assigns of the Master Tenant, in each case to the same extent as if each such successor and assign were named as a party.

23.18 The relationship of the parties to this Agreement is landlord and tenant. The Landlord is not a partner or joint venturer with the Master Tenant in any respect or for any purpose in the conduct of the Master Tenant's business or otherwise.

23.19 It is expressly agreed that this Agreement shall not be recorded in any public office, however, at the Master Tenant's or the Landlord's option, simultaneously with the execution of this Agreement, the parties may execute and acknowledge a memorandum of this Agreement (together with any affidavit or other instrument required in connection therewith) which may be recorded if (i) required by applicable law, (ii) required to effectuate a permitted option or (iii) required to effectuate any collateral assignments in favor of the Lender. Within 10 days following the expiration or sooner termination of this Agreement, the Master Tenant shall execute and deliver to the Landlord an instrument, in recordable form, confirming the termination of this Agreement which instrument, at the Landlord's option, may be placed of record in the real estate title records in the county in which the Project is located and the cost of recording such instrument shall be shared equally by the Landlord and the Master Tenant. The Master Tenant's obligations under the immediately preceding sentence hereof shall survive the expiration or sooner termination of this Agreement. The Master Tenant acknowledges and agrees that any consent of the Landlord required under this Agreement shall never be deemed and shall require the Landlord's actual written consent.

23.20 The Landlord does hereby represent and warrant that: (i) the Landlord is duly organized and in good standing in the State of its organization and, if different, qualified to do business and in good standing in the State in which the Project is located, (ii) the Landlord has full lawful right and authority to enter into this Agreement and to perform all its obligations hereunder, and (iii) each person (and all of the persons if more than one signs) signing this Agreement on behalf of the Landlord is duly and validly authorized to do so. The Master Tenant may, upon any failure by the Landlord, pay directly to the applicable governmental authorities, any recurring organizational expenses and complete any recurring organizational filings, for and on behalf of the Landlord which are necessary to maintain the organizational existence of the Landlord.

23.21 The Master Tenant does hereby represent and warrant that: (i) the Master Tenant is duly organized and in good standing in the State of its organization and, if different, qualified to do business and in good standing in the State in which the Project is located, (ii) the Master Tenant has full lawful right and authority to enter into this Agreement and to perform all of its obligations hereunder, and (iii) each person signing this Agreement on behalf of the Master Tenant is duly and validly authorized to do so.

23.22 The Master Tenant shall look solely to the Landlord's interest in the Project (including any proceeds from the sale thereof and all insurance proceeds and condemnation awards relating thereto) for the recovery of any judgment against the Landlord on account of the Landlord's breach of any of the Landlord's covenants or obligations under this Agreement. The Landlord, and the directors, officers, trustees, partners, members, owners, employees and agents of the Landlord, shall never have any personal liability for any breach of any covenant or obligation of the Landlord under this Agreement and no recourse shall be had or be enforceable against the assets of the Landlord other than the interest of the Landlord in the Project (including any proceeds from the sale thereof and all insurance proceeds and condemnation awards relating thereto) for payment of any sums due to the Master Tenant or enforcement of any other relief based upon any claim made by the Master Tenant for breach of any of the Landlord's covenants or obligations under this Agreement. The Master Tenant and the Landlord acknowledge and agree that no Lender or its successors or assigns shall have personal liability arising from this Agreement. To the extent the Lender or its successors or assigns becomes Landlord under this Agreement, such Lender, as the

Landlord, shall be liable only to the extent of (i) its interest in the Project and (ii) its gross negligence, willful misconduct or wrongful acts or omissions occurring during the time that it is the Landlord hereunder.

23.23 At least as frequently as at the end of each calendar quarter during the Term of this Agreement, the Master Tenant shall deliver to the Landlord, (i) an operating statement with respect to the Project for such quarter, (ii) a rent roll as of the last day of such quarter setting forth each Sublease of the Project, the rent payable under each such Sublease and the expiration date of each such Sublease, and (iii) a report describing any structural alterations that have been made to the Project during such quarter. The Master Tenant shall also provide to the Landlord such other reports with respect to the Project as may be required under any Permitted Mortgage. The Landlord agrees that any information provided to it pursuant to this Section shall remain confidential and shall not, except as otherwise required by applicable law or judicial order, be disclosed to anyone except (i) the Landlord's employees, attorneys and financial consultants (ii) any potential purchasers of the Project, (iii) any potential lender associated with any possible refinancing of the Loan secured by a Permitted Mortgage, and (iv) to the extent required under a Permitted Mortgage, to the holder of such Permitted Mortgage.

23.24 The following provisions are applicable during the term of the Initial Loan.

23.24.1 The Master Tenant and the Initial Lender agree that this Agreement is not a guarantee and that this Agreement does not create a de facto guaranty relationship between the parties or entitles the Master Tenant to guarantor protections.

23.24.2 The Master Tenant has executed the Property Level Assignment of Leases and Rents and the Subordination Agreement.

23.24.3 The Master Tenant acknowledges that pursuant to the Initial Loan Documents the Initial Lender has the right to act on behalf of the Landlord who, under certain circumstances, has the right to terminate this Agreement after a Master Lease Termination Event.

23.24.4 If there is any conflict between this Agreement and the Initial Loan Documents, the Initial Loan Documents will control; provided, however, that the provisions of the Initial Loan Documents will not constitute an amendment to this Agreement.

23.24.5 The Master Tenant acknowledges and agrees that in the event that an "Event of Default" under the Initial Loan Documents is also a default under this Agreement, or vice versa, the cure period, if any, for such default shall be the shorter of cure period, if any, set forth in this Agreement and the cure period, if any, set forth in the Initial Loan Documents.

23.24.6 The Master Tenant acknowledges that the Landlord shall enter into the Initial Loan as described in the Initial Loan Documents which will encumber the Project.

23.24.7 The Master Tenant acknowledges and agrees that the Landlord and the Initial Lender may disclose all information received from the Master Tenant concerning this Agreement or the Project without the Master Tenant's consent unless marked confidential.

23.24.8 The Master Tenant acknowledges and agrees that the Lender's exercise of remedies under the Initial Loan Documents shall not be affected or impaired by the terms of this Agreement, or by whether a default under this Agreement has occurred.

23.24.9 The Master Tenant shall not Divide (as defined in the Initial Loan Documents).

23.24.10 As set forth in the Subordination Agreement, the Landlord agrees that all applicable remedies available to the Initial Lender under the Initial Loan Documents can be exercised under this Agreement.

23.24.11 In no event shall the Master Tenant be entitled to special, consequential or punitive damages and the Landlord's liability under this Agreement shall be limited to its interest in the Project.

23.24.12 The Master Tenant acknowledges that in the event of a Master Lease Termination Event, the Master Tenant shall not be entitled to a termination fee.

24. Indemnification by the Master Tenant.

24.1 The Master Tenant shall indemnify, defend and hold the Landlord and its shareholders, officers, directors and employees harmless from any and all claims, demands, causes of action, losses, damages, fines, penalties, liabilities, costs and expenses, including reasonable attorneys' fees and court costs, sustained or incurred by or asserted against the Landlord by reason of the acts of the Master Tenant which arise out of the gross negligence, willful misconduct or fraud of the Master Tenant, its agents or employees or the Master Tenant's breach of this Agreement. If any person or entity makes a claim or institutes a suit against the Landlord on a matter for which the Landlord claims the benefit of the foregoing indemnification, then (i) the Landlord shall give the Master Tenant prompt notice thereof in writing; (ii) the Master Tenant may defend such a claim or action by counsel of its own choosing provided such counsel is reasonably satisfactory to the Landlord; and (iii) neither the Landlord nor the Master Tenant shall settle any claim without the other's written consent.

24.2 The Master Tenant acknowledges that the Landlord may enter into the Loan Documents, which may include provisions for personal liability for the Landlord with respect to certain "nonrecourse carve-outs." The Master Tenant hereby agrees that to the extent that the Landlord is required to make payments on such indemnification as a direct result of (i) the Master Tenant's fraud, willful misconduct or misappropriation, (ii) the Master Tenant's commission of a criminal act, (iii) the misapplication by the Master Tenant of any funds derived from the Project received by the Master Tenant, including any failure to apply such proceeds in accordance with Lender requirements, or (iv) damage or destruction to the Project caused by acts of the Master Tenant that are grossly negligent, the Master Tenant will indemnify the Landlord for any such liability that was caused by such actions.

25. Venue. Any controversy between the parties hereto arising out of or related to this Agreement shall be brought in a court of competent jurisdiction located in Orange County, California.

26. Waiver of Jury Trial. The Landlord and the Master 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 the Landlord and the Master Tenant, the Master Tenant's use or occupancy of the Project, or any claim or injury or damage (to the extent such waiver is enforceable by law in such circumstance), and any emergency statutory or any other statutory remedy.

27. Easements and Estoppels.

27.1 Right to Grant Easements. The Master Tenant agrees that the Landlord shall have the right, at one or more times during the Term, to grant public utility easements, over, under or across the Project; provided, however, that such grants do not unreasonably interfere with the Master Tenant's development or use of the Project, such easements are located in the landscaped area of the Project and are at no additional

cost or expense to the Master Tenant. The parties shall mutually cooperate in fixing the exact location in the future of such items.

27.2 Estoppel Certificate; Attornment and Priority of Lease; Subordination.

27.2.1 Estoppel Certificates. The Master Tenant agrees to execute, acknowledge and deliver, within 10 days after a request by the Landlord, to and in favor of any proposed Lender or purchaser of the Project, an estoppel certificate stating: (i) whether this Agreement is in full force and effect; (ii) whether this Agreement has been modified or amended and, if so, identifying and describing any such modification or amendment; (iii) the commencement and expiration dates of this Agreement; (iv) whether the Master Tenant is in possession of the Project and operating the Project; (v) the date to which rent and any other charges have been paid; (vi) whether the Master Tenant or any guarantor of this Agreement is presently the subject of any proceeding pursuant to the United States Bankruptcy Code of 1978, as amended; (vii) whether such party knows of any default on the part of the other party or has any claim against the other party and, if so, specifying the nature of such default or claim, (viii) whether the Master Tenant is entitled to any credits, reductions, offsets, defenses, free rent, rent concessions or abatements of rent under this Agreement or otherwise against the payment of rent or other charges under this Agreement, and (ix) any other reasonable information that may be required in the estoppel.

27.2.2 Attornment by the Master Tenant. The Master Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event of the exercise of the power of sale under, any Permitted Mortgage prior in lien to this Agreement made by the Landlord, attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Agreement, provided such purchaser assumes in writing the Landlord's obligations under this Agreement, subject to the terms of any nondisturbance agreement between the Master Tenant and the holder of such Permitted Mortgage.

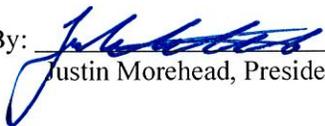
28. Special DST Provisions. Notwithstanding anything else in this Agreement at any time that the Landlord has elected to be treated as an investment trust for federal income tax purposes, neither the Landlord nor the Master Tenant shall have the right, power or ability to take any action that would violate the provisions of Revenue Ruling 2004-86 or otherwise cause the Landlord to be treated as other than an investment trust for federal income tax purposes.

[Signature Page Follows]

IN WITNESS WHEREOF, the Landlord and the Master Tenant have hereunto set their respective hands the day and year first above written.

MASTER TENANT:

CP Maywood Apartments MT, LLC, a Delaware limited liability company

By:  _____
Justin Morehead, President

LANDLORD:

The Maywood Apartments, a Delaware statutory trust

By: CP Maywood Apartments Manager, LLC, a Delaware limited liability company, its Manager

By:  _____
Justin Morehead, President

EXHIBIT A

BASE RENT

<u>Lease Period</u>	<u>Monthly Base Rent</u>	<u>Annual Base Rent</u>
Year 1	\$ 217,083.33	\$ 2,605,000
Year 2	\$ 220,339.58	\$ 2,644,075
Year 3	\$ 223,644.67	\$ 2,683,736
Year 4	\$ 226,999.33	\$ 2,723,992
Year 5	\$ 230,404.33	\$ 2,764,852
Year 6	\$ 237,316.50	\$ 2,847,798
Year 7	\$ 244,436.00	\$ 2,933,232
Year 8	\$ 251,769.00	\$ 3,021,228
Year 9	\$ 259,322.08	\$ 3,111,865
Year 10	\$ 267,101.75	\$ 3,205,221

Year 1 will begin on the date the Landlord enters into the Initial Loan (December 30, 2021) and will end on December 31, 2022. All other years will begin on January 1 and end on December 31. The first month's rent will be pro rata for the actual number of days from the date of this Agreement through the end of the first month. Lease Year 2 will begin on January 1, 2023.

EXHIBIT B

LAND – LEGAL DESCRIPTION

For Tax Map ID(s): 208591000

Tract 1:

Lots One (1) through Fourteen (14), both inclusive, in Block One (1), of MAYWOOD PARK SECTION 1, an addition to the City of Oklahoma City, Oklahoma County, Oklahoma, according to the recorded plat thereof.

For Tax Map ID(s): 208592240

Tract 2:

Lot One (1), in Block Twelve (12) and Lots One (1) through Twelve (12), both inclusive, in Block Thirteen (13), of MAYWOOD PARK SECTION 1, an Addition to the City of Oklahoma City, Oklahoma County, Oklahoma, according to the recorded plat thereof.

and

A part of Block K, of MAYWOOD PARK SECTION 1, an Addition to the City of Oklahoma City, Oklahoma County, Oklahoma, according to the recorded plat thereof, being more particularly described as follows: Beginning at the Northwest corner of said Block K; thence South 89°50'01" East along the North line of said Block K, a distance of 27.03 feet to the Northeast corner of said Block K; thence South 00°00'54" West along the East line of said Block K, a distance of 99.79 feet; thence South 01°22'53" West along the East line of said Block K, a distance of 49.47 feet; thence North 89°14'01" West, a distance of 27.11 feet to a point on the West line of Block K, said point also being the Southeast corner of Block Thirteen (13) of said Maywood Park Addition Section I; thence North 00°45'59" East along the West line of said Block K, a distance of 82.32 feet; thence North 00°09'59" East along the West line of said Block K, a distance of 66.61 feet to the point of beginning.

EXHIBIT C

LANDLORD OBLIGATIONS

Landlord Impositions: All ancillary fees and costs related to a Permitted Mortgage.

Landlord Operating Expenses: None.

Landlord Capital Expenditures:

Initial Capital Expenditures

- Capital expenditure relating to foundation waterproofing;
- Capital expenditure relating to roofing;
- Capital expenditure relating to lighting;
- Capital expenditure relating to landscaping;
- Capital expenditure relating to firepits and sump pits;
- Capital expenditure relating to fire sprinkler system;
- Capital expenditure relating to exterior walls (cleaning, sealing and painting); and
- Capital expenditure relating to HVAC systems.

The Landlord will not incur more than \$50,500 for the Initial Capital Expenditures.

Ongoing Capital Expenditures

- Capital expenditures related to the foundations, subfloors, structures and roof of the Project buildings and related costs and expenses with respect to such expenditures;
- Capital expenditures related to the underground water pipes and electrical equipment that provides water and electricity to the Project (but not with respect to plumbing or electrical repairs at the Project buildings or tenant spaces);
- Three-time capital expenditure relating to concrete paving and seal coating;
- Six-time capital expenditure relating to fences and gates;
- Two-time capital expenditure relating to stair railings;
- One-time capital expenditure relating to foundation waterproofing;
- Four-time capital expenditure relating to roofing;
- Nine-time capital expenditure relating to lighting;

- Four-time capital expenditure relating to landscaping;
- Six-time capital expenditure relating to firepits and sump pits;
- Two-time capital expenditure relating to fire sprinkler system;
- Nine-time capital expenditure relating to exterior walls (cleaning, sealing and painting);
- Two-time capital expenditure relating to swimming pool;
- Two-time capital expenditure relating to parking garage; and
- Nine-time capital expenditure relating to HVAC systems.

The Landlord Capital Expenditures shall not include any normal repairs or maintenance items and will include costs and expenses related to the applicable capital expenditure.

EXHIBIT D

TENANT IMPROVEMENT ALLOWANCE (RESIDENTIAL)

Period / Lease Year	1	2	3	4	5	6	7	8	9	10
Carpet	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Tile Flooring	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Water Heater	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Dishwasher	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Washer	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Refrigerator	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Microwave	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Dryer	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Range	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Garbage Disposal	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Ceiling Fan	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Tenant Improvement Allowance (Residential)	\$ 44,000									

Tenant Improvement Allowance (including leasing commissions) (RETAIL): \$250,000

EXHIBIT E

PROJECTIONS OF OPERATIONS FOR THE PROJECT

This Exhibit E contains forward-looking statements that involve risks and uncertainties. These statements are only predictions and are not guarantees. Actual events and results of operations could differ materially from those expressed or implied in these forward-looking statements. The forward-looking statements included in this Exhibit are based upon the Trust Manager's current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Although the Trust Manager believes that the expectations reflected in such forward-looking statements set forth in this Exhibit are based on reasonable assumptions, the actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those described in this Memorandum. Any assumptions underlying the forward-looking statements set forth in this Exhibit could be inaccurate. Prospective Holders are cautioned not to place undue reliance on any forward-looking statements contained in this Exhibit. The actual results may differ significantly from the results discussed in the forward-looking statements.

The Projections of Operations for the Project in this Exhibit are forward-looking statements and have been prepared as of December 29, 2021 and represent estimates for the Project over the approximate 10-year period beginning December 30, 2021 (the "Projections").

The Projections are based, in part, upon specific assumptions described in this Exhibit and this Memorandum. These estimates and assumptions represent the Trust Manager's best judgment as to what the actual experiences of the prospective Holder will be. Because of the impossibility of making meaningfully precise, predictive assumptions, some of the assumptions may not accurately reflect operations of the Project in all years. Changes in these assumptions could cause actual operating results to vary substantially from those which have been forecasted. If such assumptions are incorrect, the Projections would likewise be incorrect. No assurance can be given that the assumptions will prove to be correct. Prospective Holders should closely review the more detailed information set forth in this Exhibit and this Memorandum.

This Exhibit has been prepared by the Trust Manager and no independent public accountants or other third parties have examined, compiled, reviewed or agreed upon the procedures used to prepare the Projections. The Projections have not necessarily been prepared with the guidelines of the American Institute of Certified Public Accountants or any other accounting profession self-regulatory or governing body. **There is no assurance that the Project will perform as set forth in the Projections.** The ability to achieve the results set forth in the Projections are subject to a number of risks including, without limitation, those described in the Risk Factors in this Memorandum.

ASSUMPTIONS

Analysis Period	10 years
Rental Growth Rates	2.5% in year 1 and 3% thereafter.
Operating Expenses	Operating expenses were estimated by the Trust Manager to be approximately \$1,439,933 (inclusive of the Management Fee) in Year 1. The Trust Manager applied an annual growth rate of 3% for year 2 and thereafter.
Administration Fee	The Administration Fee is equal to \$40,000 in year 1 and \$41,000 in year 2, and for each year thereafter, the Administration Fee will increase by 3% annually.
Capital Reserves	At the Loan closing, the Lender required a repairs escrow to be funded in the amount of \$8,125 and requires ongoing monthly replacement reserves deposits throughout the term of the Loan in the amount of \$4,983.33 (\$59,800 annually).
Date of Sale	The Trust Manager anticipates that the Project will be sold in approximately 10 years after the Trust enters into the Loan.
Loan Terms	Loan terms are outlined in detail in this Memorandum, see “Financing Terms.”

For additional information, see “Estimated Use of Proceeds” in this Memorandum.

For the Years Ending Period (Year)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rent Growth	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Expense Growth	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Insurance Expense Growth	-18.59%	10.00%	7.50%	7.50%	7.50%	5.00%	5.00%	5.00%	5.00%	5.00%
Real Estate Taxes	48.91%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Loss to Lease	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Vacancy (Residential)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Concessions (Residential)	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Non Revenue Units (employee and models)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Collection Loss/Bad Debt	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Management Fee	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
RESIDENTIAL INCOME										
Gross Potential Rent	\$ 4,978,450	\$ 5,127,803	\$ 5,281,637	\$ 5,440,086	\$ 5,603,289	\$ 5,771,388	\$ 5,944,529	\$ 6,122,865	\$ 6,306,551	\$ 6,495,748
Gain/(Loss) to Lease	\$ (199,138)	\$ (205,112)	\$ (211,265)	\$ (217,603)	\$ (224,132)	\$ (230,856)	\$ (237,781)	\$ (244,915)	\$ (252,262)	\$ (259,830)
Gross Scheduled Rent	\$ 4,779,312	\$ 4,922,691	\$ 5,070,372	\$ 5,222,483	\$ 5,379,157	\$ 5,540,532	\$ 5,706,748	\$ 5,877,950	\$ 6,054,289	\$ 6,235,918
Physical Vacancy	\$ (286,759)	\$ (295,361)	\$ (304,222)	\$ (313,349)	\$ (322,749)	\$ (332,432)	\$ (342,405)	\$ (352,677)	\$ (363,257)	\$ (374,155)
Move in/Ongoing Concessions	\$ (71,690)	\$ (98,454)	\$ (101,407)	\$ (104,450)	\$ (107,583)	\$ (110,811)	\$ (114,135)	\$ (117,559)	\$ (121,086)	\$ (124,718)
Non Revenue Units (employee/model)	\$ (23,897)	\$ (24,613)	\$ (25,352)	\$ (26,112)	\$ (26,896)	\$ (27,703)	\$ (28,534)	\$ (29,390)	\$ (30,271)	\$ (31,180)
Collection Loss/Bad Debt/Rent Adjustments	\$ (23,897)	\$ (24,613)	\$ (25,352)	\$ (26,112)	\$ (26,896)	\$ (27,703)	\$ (28,534)	\$ (29,390)	\$ (30,271)	\$ (31,180)
Total Financial Vacancy	\$ (406,241)	\$ (443,042)	\$ (456,333)	\$ (470,023)	\$ (484,124)	\$ (498,648)	\$ (513,607)	\$ (529,016)	\$ (544,886)	\$ (561,233)
TOTAL RENTAL INCOME	\$ 4,373,070	\$ 4,479,649	\$ 4,614,038	\$ 4,752,459	\$ 4,895,033	\$ 5,041,884	\$ 5,193,141	\$ 5,348,935	\$ 5,509,403	\$ 5,674,685
TOTAL OTHER INCOME										
Expense Reimbursements (Water & Sewer & Electricity)	\$ 110,000	\$ 113,300	\$ 116,699	\$ 120,200	\$ 123,806	\$ 127,520	\$ 131,346	\$ 135,286	\$ 139,345	\$ 143,525
Trash Pick-Up Income	\$ 115,000	\$ 118,450	\$ 122,004	\$ 125,664	\$ 129,434	\$ 133,317	\$ 137,316	\$ 141,435	\$ 145,679	\$ 150,049
Late Fees	\$ 18,000	\$ 18,540	\$ 19,096	\$ 19,669	\$ 20,259	\$ 20,867	\$ 21,493	\$ 22,138	\$ 22,802	\$ 23,486
Storage / Garages	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510	\$ 23,185	\$ 23,881	\$ 24,597	\$ 25,335	\$ 26,095
Other Miscellaneous Income	\$ 30,000	\$ 30,900	\$ 31,827	\$ 32,782	\$ 33,765	\$ 34,778	\$ 35,822	\$ 36,896	\$ 38,003	\$ 39,143
Application Fees	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
Pet Fees/Pet Control/Pet Deposits Non Refundable	\$ 40,000	\$ 41,200	\$ 42,436	\$ 43,709	\$ 45,020	\$ 46,371	\$ 47,762	\$ 49,195	\$ 50,671	\$ 52,191
Cable Income	\$ 70,000	\$ 72,100	\$ 74,263	\$ 76,491	\$ 78,786	\$ 81,149	\$ 83,584	\$ 86,091	\$ 88,674	\$ 91,334
Month to Month Rent Income	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
Damage/Cleaning Fee Income	\$ 25,000	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138	\$ 28,982	\$ 29,851	\$ 30,747	\$ 31,669	\$ 32,619
Lease Term/Insuf. Notice Fee Income	\$ 40,000	\$ 41,200	\$ 42,436	\$ 43,709	\$ 45,020	\$ 46,371	\$ 47,762	\$ 49,195	\$ 50,671	\$ 52,191
Other Income (Retail)	\$ 146,700	\$ 158,925	\$ 171,150	\$ 171,150	\$ 171,150	\$ 171,150	\$ 171,150	\$ 176,285	\$ 176,285	\$ 176,285
TOTAL OTHER INCOME	\$ 624,700	\$ 651,265	\$ 678,260	\$ 693,474	\$ 709,143	\$ 725,283	\$ 741,907	\$ 764,164	\$ 781,801	\$ 799,966
EFFECTIVE GROSS REVENUE	\$ 4,997,770	\$ 5,130,914	\$ 5,292,298	\$ 5,445,933	\$ 5,604,176	\$ 5,767,167	\$ 5,935,048	\$ 6,113,099	\$ 6,291,204	\$ 6,474,651
PROPERTY EXPENSES										
Master Tenant Responsibility										
Utilities	\$ 265,000	\$ 272,950	\$ 281,139	\$ 289,573	\$ 298,260	\$ 307,208	\$ 316,424	\$ 325,917	\$ 335,694	\$ 345,765
Maintenance and Turnover	\$ 175,000	\$ 180,250	\$ 185,658	\$ 191,227	\$ 196,964	\$ 202,873	\$ 208,959	\$ 215,228	\$ 221,685	\$ 228,335
Contract Services	\$ 250,000	\$ 257,500	\$ 265,225	\$ 273,182	\$ 281,377	\$ 289,819	\$ 298,513	\$ 307,468	\$ 316,693	\$ 326,193
Make Ready / Turnover	\$ 60,000	\$ 61,800	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556	\$ 71,643	\$ 73,792	\$ 76,006	\$ 78,286
Payroll	\$ 345,000	\$ 355,350	\$ 366,011	\$ 376,991	\$ 388,301	\$ 399,950	\$ 411,948	\$ 424,306	\$ 437,036	\$ 450,147
Marketing	\$ 90,000	\$ 92,700	\$ 95,481	\$ 98,345	\$ 101,296	\$ 104,335	\$ 107,465	\$ 110,689	\$ 114,009	\$ 117,430
Admin/Office	\$ 105,000	\$ 108,150	\$ 111,395	\$ 114,736	\$ 118,178	\$ 121,724	\$ 125,375	\$ 129,137	\$ 133,011	\$ 137,001
Management Fee	\$ 149,933	\$ 153,927	\$ 158,769	\$ 163,378	\$ 168,125	\$ 173,015	\$ 178,051	\$ 183,393	\$ 188,736	\$ 194,240
TOTAL MASTER TENANT OPERATING EXPENSES	\$ 1,439,933	\$ 1,482,627	\$ 1,527,330	\$ 1,572,996	\$ 1,620,032	\$ 1,668,479	\$ 1,718,379	\$ 1,769,930	\$ 1,822,870	\$ 1,877,397
MASTER LEASE RENT										
Base Rent	\$ 2,605,000	\$ 2,644,075	\$ 2,683,736	\$ 2,723,992	\$ 2,764,852	\$ 2,847,798	\$ 2,933,232	\$ 3,021,228	\$ 3,111,865	\$ 3,205,221
Additional Rent										
Real Estate Taxes	\$ 670,432	\$ 697,249	\$ 725,139	\$ 754,145	\$ 784,311	\$ 815,683	\$ 848,310	\$ 882,243	\$ 917,532	\$ 954,234
Insurance	\$ 200,000	\$ 220,000	\$ 236,500	\$ 254,238	\$ 273,305	\$ 286,971	\$ 301,319	\$ 316,385	\$ 332,204	\$ 348,815
Total Additional Rent	\$ 870,432	\$ 917,249	\$ 961,639	\$ 1,008,382	\$ 1,057,616	\$ 1,102,654	\$ 1,149,629	\$ 1,198,628	\$ 1,249,737	\$ 1,303,049
TOTAL MASTER LEASE RENT	\$ 3,475,432	\$ 3,561,324	\$ 3,645,375	\$ 3,732,374	\$ 3,822,468	\$ 3,950,451	\$ 4,082,861	\$ 4,219,856	\$ 4,361,602	\$ 4,508,270
NET INCOME TO THE MASTER TENANT	\$ 82,405	\$ 86,962	\$ 119,593	\$ 140,563	\$ 161,677	\$ 148,237	\$ 133,808	\$ 123,313	\$ 106,732	\$ 88,985

DST Cash Flow Projection

Period (Year)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
		1.50%	1.50%	1.50%	1.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Base Rent	\$ 2,605,000	\$ 2,644,075	\$ 2,683,736	\$ 2,723,992	\$ 2,764,852	\$ 2,847,798	\$ 2,933,232	\$ 3,021,228	\$ 3,111,865	\$ 3,205,221
Additional Rent	\$ 870,432	\$ 917,249	\$ 961,639	\$ 1,008,382	\$ 1,057,616	\$ 1,102,654	\$ 1,149,629	\$ 1,198,628	\$ 1,249,737	\$ 1,303,048
Total Master Lease Rent	\$ 3,475,432	\$ 3,561,324	\$ 3,645,375	\$ 3,732,374	\$ 3,822,468	\$ 3,950,451	\$ 4,082,861	\$ 4,219,856	\$ 4,361,602	\$ 4,508,270
	\$ 289,619	\$ 296,777	\$ 303,781	\$ 311,031	\$ 318,539	\$ 329,204	\$ 340,238	\$ 351,655	\$ 363,467	\$ 375,689
Landlord Expenses										
Mortgage Interest Payment	\$ 1,100,020	\$ 1,100,020	\$ 1,103,033	\$ 1,100,020	\$ 1,100,020	\$ 1,100,020	\$ 1,103,033	\$ 1,100,020	\$ 1,100,020	\$ 1,100,020
Mortgage Principal Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cap Ex Reserve	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800
Landlord Administrative Costs	\$ 67,100	\$ 68,275	\$ 69,720	\$ 71,209	\$ 72,742	\$ 74,321	\$ 75,948	\$ 77,623	\$ 79,349	\$ 81,127
Total Landlord Expenses	\$ 1,226,920	\$ 1,228,095	\$ 1,232,554	\$ 1,231,028	\$ 1,232,562	\$ 1,234,141	\$ 1,238,781	\$ 1,237,443	\$ 1,239,169	\$ 1,240,946
Additional Expenses										
Taxes	\$ 670,432	\$ 697,249	\$ 725,139	\$ 754,145	\$ 784,311	\$ 815,683	\$ 848,310	\$ 882,243	\$ 917,532	\$ 954,234
Insurance	\$ 200,000	\$ 220,000	\$ 236,500	\$ 254,238	\$ 273,305	\$ 286,971	\$ 301,319	\$ 316,385	\$ 332,204	\$ 348,815
Total Additional Expenses	\$ 870,432	\$ 917,249	\$ 961,639	\$ 1,008,382	\$ 1,057,616	\$ 1,102,654	\$ 1,149,629	\$ 1,198,628	\$ 1,249,737	\$ 1,303,048
Cash Flow Available to the Landlord	\$ 1,378,080	\$ 1,415,980	\$ 1,451,183	\$ 1,492,964	\$ 1,532,290	\$ 1,613,657	\$ 1,694,450	\$ 1,783,786	\$ 1,872,697	\$ 1,964,275
Mortgage Principal Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Return to Landlord	\$ 1,378,080	\$ 1,415,980	\$ 1,451,183	\$ 1,492,964	\$ 1,532,290	\$ 1,613,657	\$ 1,694,450	\$ 1,783,786	\$ 1,872,697	\$ 1,964,275
% of Equity	4.18%	4.29%	4.40%	4.52%	4.64%	4.89%	5.13%	5.41%	5.67%	5.95%
Average Return (10yr Hold)	4.91%									
DST Admin Expenses										
DST Trustee & Independent Trustee	\$ 2,000	\$ 2,050	\$ 2,112	\$ 2,175	\$ 2,240	\$ 2,307	\$ 2,377	\$ 2,448	\$ 2,521	\$ 2,597
DST Bank Services	\$ 5,000	\$ 5,125	\$ 5,279	\$ 5,437	\$ 5,600	\$ 5,768	\$ 5,941	\$ 6,120	\$ 6,303	\$ 6,492
DST Miscellaneous Expenses (FTB)	\$ 20,100	\$ 20,100	\$ 20,100	\$ 20,100	\$ 20,100	\$ 20,100	\$ 20,100	\$ 20,100	\$ 20,100	\$ 20,100
DST Admin Fee	\$ 40,000	\$ 41,000	\$ 42,230	\$ 43,497	\$ 44,802	\$ 46,146	\$ 47,530	\$ 48,956	\$ 50,425	\$ 51,938
Total DST Admin Expenses	\$ 67,100	\$ 68,275	\$ 69,720	\$ 71,209	\$ 72,742	\$ 74,321	\$ 75,948	\$ 77,623	\$ 79,349	\$ 81,127

Reserves & Capital Expenditures

Year Ending Period (Year)	2022 1	2023 2	2024 3	2025 4	2026 5	2027 6	2028 7	2029 8	2030 9	2031 10
LENDER/LANDLORD/MT RESERVES & CAPITAL PROJECTION										
Projected Landlord Capital & Tenant Improvements Budget										
Concrete Paving / Seal Coating / Asphalt	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ 15,000
Fences & Gates	\$ -	\$ 3,000	\$ 500	\$ -	\$ 3,000	\$ -	\$ 500	\$ 3,000	\$ -	\$ 3,000
Stair Railings	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -
Foundation Waterproofing	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000	\$ -	\$ -	\$ -
Roofing	\$ 4,000	\$ -	\$ 4,000	\$ -	\$ 4,000	\$ -	\$ 4,000	\$ -	\$ 4,000	\$ -
Lighting	\$ 8,000	\$ 3,000	\$ 3,000	\$ 8,000	\$ 3,000	\$ 3,000	\$ 8,000	\$ 3,000	\$ 3,000	\$ 3,000
Landscaping	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ -
Firepits / sump pits	\$ 4,000	\$ -	\$ 3,000	\$ 1,000	\$ 3,000	\$ -	\$ 3,000	\$ -	\$ 3,000	\$ 1,000
Fire Sprinkler system	\$ 3,000	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -
Wall/Cleaning/Sealing/Painting	\$ 7,500	\$ 1,500	\$ 1,500	\$ 15,000	\$ 1,500	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 1,500
Swimming Pool	\$ -	\$ -	\$ 9,150	\$ -	\$ -	\$ -	\$ -	\$ 6,500	\$ -	\$ -
Parking Garage	\$ -	\$ -	\$ 10,640	\$ -	\$ -	\$ -	\$ 10,640	\$ -	\$ -	\$ -
HVAC Replace	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Carpet (Residential) - Replace	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Water Heater Replace	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500
Dishwasher (Residential) - Replace	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Washer (Residential) - Replace	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Refrigerator (Residential) - Replace	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Tile Flooring (Residential) - Replace	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
Microwave (Residential) - Replace	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Dryer (Residential) - Replace	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Range (Residential) - Replace	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Garbage Disposal	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Ceiling Fan	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Tenant Improvements (Retail)	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 110,000	\$ -	\$ -	\$ -
Leasing Commissions (Retail)	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -
Other Miscellaneous Cap Ex & TI	\$ 15,500	\$ 17,000	\$ 15,500	\$ 17,000	\$ 15,500	\$ 17,000	\$ 15,500	\$ 17,000	\$ 15,500	\$ 17,000
Total Landlord Capital Improvements	\$ 110,000	\$ 183,500	\$ 107,790	\$ 98,000	\$ 89,000	\$ 95,500	\$ 304,640	\$ 106,500	\$ 104,500	\$ 94,500
Projected Master Tenant Capital Improvements Budget										
Equipment	\$ 3,250	\$ -	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ 1,000	\$ -
Elavator	\$ 2,500	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 1,000	\$ -	\$ 5,000
Furniture	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -
Fire Protection Equipment	\$ 1,000	\$ 2,000	\$ 1,000	\$ 8,500	\$ 10,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 4,000	\$ 3,000
Security Alarm System	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Common Area Equipment	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Fitness Equipment	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ -
Video System	\$ 3,000	\$ -	\$ 3,000	\$ -	\$ 3,000	\$ -	\$ 3,000	\$ -	\$ 3,000	\$ -
Model Upgrade/Fixtures	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000
Office Computers & Equipment	\$ 2,000	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -
Transitional Upfront Costs	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Master Tenant Capital Improvements	\$ 31,250	\$ 20,500	\$ 14,500	\$ 28,000	\$ 19,500	\$ 20,500	\$ 14,500	\$ 16,500	\$ 12,500	\$ 14,500
Lender Controlled Reserves - Sources & Uses										
Beginning Loan Holdback	\$ -	\$ 20,925	\$ 39,725	\$ 38,735	\$ 44,035	\$ 62,835	\$ 63,135	\$ 52,795	\$ 46,595	\$ 46,895
Lender Upfront Reserves (Deferred Cap Ex)	\$ 8,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Upfront Interest Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Annual Lender Cap X Funding (sources)	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800
Additions/Deductions for Rent Held in Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Improvements	\$ (47,000)	\$ (41,000)	\$ (60,790)	\$ (54,500)	\$ (41,000)	\$ (59,500)	\$ (70,140)	\$ (66,000)	\$ (59,500)	\$ (41,000)
Ending Cash Balance (Lender)	\$ 20,925	\$ 39,725	\$ 38,735	\$ 44,035	\$ 62,835	\$ 63,135	\$ 52,795	\$ 46,595	\$ 46,895	\$ 65,695
Sources and Uses of Cash (Landlord)										
Beginning Capital Operating Reserves	\$ 900,000	\$ 857,925	\$ 734,225	\$ 686,235	\$ 648,035	\$ 618,835	\$ 583,135	\$ 338,295	\$ 291,595	\$ 246,895
Inflow of Ongoing Capital Reserve (Lender Controlled)	\$ 67,925	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800
Outflow of Ongoing/Annual Impound	\$ (110,000)	\$ (183,500)	\$ (107,790)	\$ (98,000)	\$ (89,000)	\$ (95,500)	\$ (304,640)	\$ (106,500)	\$ (104,500)	\$ (94,500)
Ending Cash Balance (Landlord)	\$ 857,925	\$ 734,225	\$ 686,235	\$ 648,035	\$ 618,835	\$ 583,135	\$ 338,295	\$ 291,595	\$ 246,895	\$ 212,195
Sources and Uses of Cash (Master Tenant)										
Beginning Capital Operating Reserves	\$ 250,000	\$ 218,750	\$ 198,250	\$ 183,750	\$ 155,750	\$ 136,250	\$ 115,750	\$ 101,250	\$ 84,750	\$ 72,250
Additions/Deductions of Capital Improvements	\$ (31,250)	\$ (20,500)	\$ (14,500)	\$ (28,000)	\$ (19,500)	\$ (20,500)	\$ (14,500)	\$ (16,500)	\$ (12,500)	\$ (14,500)
Ending Cash Balance (Master Tenant)	\$ 218,750	\$ 198,250	\$ 183,750	\$ 155,750	\$ 136,250	\$ 115,750	\$ 101,250	\$ 84,750	\$ 72,250	\$ 57,750

LOAN TERMS

Original Principal Amount	32,435,000
Note Rate % (Per Annum)	3.345%
Interest Only (IO) Periods (Months)	120
Original Amortization Term (Months)	360
Note Date	12/29/2021
First Pay Date	2/1/2022
Original Loan Term (Months)	120
Scheduled Maturity Date	1/1/2032
Interest Accrual Basis During Amortization Periods	ACTUAL/360

Pay Period	Pay Date	Accrual Days in Period	Scheduled Payment	Interest Amount	Principal Paydown	Loan Balance
0	1/1/2022	3	\$ 9,041	\$	9,041	
1	2/1/2022	31	\$ 93,426	\$	93,426	\$ 32,435,000
2	3/1/2022	28	\$ 84,385	\$	84,385	\$ 32,435,000
3	4/1/2022	31	\$ 93,426	\$	93,426	\$ 32,435,000
4	5/1/2022	30	\$ 90,413	\$	90,413	\$ 32,435,000
5	6/1/2022	31	\$ 93,426	\$	93,426	\$ 32,435,000
6	7/1/2022	30	\$ 90,413	\$	90,413	\$ 32,435,000
7	8/1/2022	31	\$ 93,426	\$	93,426	\$ 32,435,000
8	9/1/2022	31	\$ 93,426	\$	93,426	\$ 32,435,000
9	10/1/2022	30	\$ 90,413	\$	90,413	\$ 32,435,000
10	11/1/2022	31	\$ 93,426	\$	93,426	\$ 32,435,000
11	12/1/2022	30	\$ 90,413	\$	90,413	\$ 32,435,000
12	1/1/2023	31	\$ 93,426	\$	93,426	\$ 32,435,000
13	2/1/2023	31	\$ 93,426	\$	93,426	\$ 32,435,000
14	3/1/2023	28	\$ 84,385	\$	84,385	\$ 32,435,000
15	4/1/2023	31	\$ 93,426	\$	93,426	\$ 32,435,000
16	5/1/2023	30	\$ 90,413	\$	90,413	\$ 32,435,000
17	6/1/2023	31	\$ 93,426	\$	93,426	\$ 32,435,000
18	7/1/2023	30	\$ 90,413	\$	90,413	\$ 32,435,000
19	8/1/2023	31	\$ 93,426	\$	93,426	\$ 32,435,000
20	9/1/2023	31	\$ 93,426	\$	93,426	\$ 32,435,000
21	10/1/2023	30	\$ 90,413	\$	90,413	\$ 32,435,000
22	11/1/2023	31	\$ 93,426	\$	93,426	\$ 32,435,000
23	12/1/2023	30	\$ 90,413	\$	90,413	\$ 32,435,000
24	1/1/2024	31	\$ 93,426	\$	93,426	\$ 32,435,000
25	2/1/2024	31	\$ 93,426	\$	93,426	\$ 32,435,000

LOAN TERMS

Original Principal Amount	32,435,000
Note Rate % (Per Annum)	3.345%
Interest Only (IO) Periods (Months)	120
Original Amortization Term (Months)	360
Note Date	12/29/2021
First Pay Date	2/1/2022
Original Loan Term (Months)	120
Scheduled Maturity Date	1/1/2032
Interest Accrual Basis During Amortization Periods	ACTUAL/360

Pay Period	Pay Date	Accrual Days in Period	Scheduled Payment	Interest Amount	Principal Paydown	Loan Balance
26	3/1/2024	29	\$ 87,399	\$	87,399	\$ 32,435,000
27	4/1/2024	31	\$ 93,426	\$	93,426	\$ 32,435,000
28	5/1/2024	30	\$ 90,413	\$	90,413	\$ 32,435,000
29	6/1/2024	31	\$ 93,426	\$	93,426	\$ 32,435,000
30	7/1/2024	30	\$ 90,413	\$	90,413	\$ 32,435,000
31	8/1/2024	31	\$ 93,426	\$	93,426	\$ 32,435,000
32	9/1/2024	31	\$ 93,426	\$	93,426	\$ 32,435,000
33	10/1/2024	30	\$ 90,413	\$	90,413	\$ 32,435,000
34	11/1/2024	31	\$ 93,426	\$	93,426	\$ 32,435,000
35	12/1/2024	30	\$ 90,413	\$	90,413	\$ 32,435,000
36	1/1/2025	31	\$ 93,426	\$	93,426	\$ 32,435,000
37	2/1/2025	31	\$ 93,426	\$	93,426	\$ 32,435,000
38	3/1/2025	28	\$ 84,385	\$	84,385	\$ 32,435,000
39	4/1/2025	31	\$ 93,426	\$	93,426	\$ 32,435,000
40	5/1/2025	30	\$ 90,413	\$	90,413	\$ 32,435,000
41	6/1/2025	31	\$ 93,426	\$	93,426	\$ 32,435,000
42	7/1/2025	30	\$ 90,413	\$	90,413	\$ 32,435,000
43	8/1/2025	31	\$ 93,426	\$	93,426	\$ 32,435,000
44	9/1/2025	31	\$ 93,426	\$	93,426	\$ 32,435,000
45	10/1/2025	30	\$ 90,413	\$	90,413	\$ 32,435,000
46	11/1/2025	31	\$ 93,426	\$	93,426	\$ 32,435,000
47	12/1/2025	30	\$ 90,413	\$	90,413	\$ 32,435,000
48	1/1/2026	31	\$ 93,426	\$	93,426	\$ 32,435,000
49	2/1/2026	31	\$ 93,426	\$	93,426	\$ 32,435,000
50	3/1/2026	28	\$ 84,385	\$	84,385	\$ 32,435,000
51	4/1/2026	31	\$ 93,426	\$	93,426	\$ 32,435,000
52	5/1/2026	30	\$ 90,413	\$	90,413	\$ 32,435,000
53	6/1/2026	31	\$ 93,426	\$	93,426	\$ 32,435,000

LOAN TERMS

Original Principal Amount	32,435,000
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Original Amortization Term (Months)	360
Note Date	12/29/2021
First Pay Date	2/1/2022
Original Loan Term (Months)	120
Scheduled Maturity Date	1/1/2032
Interest Accrual Basis During Amortization Periods	ACTUAL/360

Pay Period	Pay Date	Accrual Days in Period	Scheduled Payment	Interest Amount	Principal Paydown	Loan Balance
54	7/1/2026	30	\$ 90,413	\$	90,413	\$ 32,435,000
55	8/1/2026	31	\$ 93,426	\$	93,426	\$ 32,435,000
56	9/1/2026	31	\$ 93,426	\$	93,426	\$ 32,435,000
57	10/1/2026	30	\$ 90,413	\$	90,413	\$ 32,435,000
58	11/1/2026	31	\$ 93,426	\$	93,426	\$ 32,435,000
59	12/1/2026	30	\$ 90,413	\$	90,413	\$ 32,435,000
60	1/1/2027	31	\$ 93,426	\$	93,426	\$ 32,435,000
61	2/1/2027	31	\$ 93,426	\$	93,426	\$ 32,435,000
62	3/1/2027	28	\$ 84,385	\$	84,385	\$ 32,435,000
63	4/1/2027	31	\$ 93,426	\$	93,426	\$ 32,435,000
64	5/1/2027	30	\$ 90,413	\$	90,413	\$ 32,435,000
65	6/1/2027	31	\$ 93,426	\$	93,426	\$ 32,435,000
66	7/1/2027	30	\$ 90,413	\$	90,413	\$ 32,435,000
67	8/1/2027	31	\$ 93,426	\$	93,426	\$ 32,435,000
68	9/1/2027	31	\$ 93,426	\$	93,426	\$ 32,435,000
69	10/1/2027	30	\$ 90,413	\$	90,413	\$ 32,435,000
70	11/1/2027	31	\$ 93,426	\$	93,426	\$ 32,435,000
71	12/1/2027	30	\$ 90,413	\$	90,413	\$ 32,435,000
72	1/1/2028	31	\$ 93,426	\$	93,426	\$ 32,435,000
73	2/1/2028	31	\$ 93,426	\$	93,426	\$ 32,435,000
74	3/1/2028	29	\$ 87,399	\$	87,399	\$ 32,435,000
75	4/1/2028	31	\$ 93,426	\$	93,426	\$ 32,435,000
76	5/1/2028	30	\$ 90,413	\$	90,413	\$ 32,435,000
77	6/1/2028	31	\$ 93,426	\$	93,426	\$ 32,435,000
78	7/1/2028	30	\$ 90,413	\$	90,413	\$ 32,435,000
79	8/1/2028	31	\$ 93,426	\$	93,426	\$ 32,435,000
80	9/1/2028	31	\$ 93,426	\$	93,426	\$ 32,435,000
81	10/1/2028	30	\$ 90,413	\$	90,413	\$ 32,435,000

LOAN TERMS

Original Principal Amount	32,435,000
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Note Date	12/29/2021
First Pay Date	2/1/2022
Original Loan Term (Months)	120
Scheduled Maturity Date	1/1/2032
Interest Accrual Basis During Amortization Periods	ACTUAL/360

Pay Period	Pay Date	Accrual Days in Period	Scheduled Payment	Interest Amount	Principal Paydown	Loan Balance
82	11/1/2028	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
83	12/1/2028	30	\$ 90,413	\$	90,413 \$	- \$ 32,435,000
84	1/1/2029	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
85	2/1/2029	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
86	3/1/2029	28	\$ 84,385	\$	84,385 \$	- \$ 32,435,000
87	4/1/2029	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
88	5/1/2029	30	\$ 90,413	\$	90,413 \$	- \$ 32,435,000
89	6/1/2029	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
90	7/1/2029	30	\$ 90,413	\$	90,413 \$	- \$ 32,435,000
91	8/1/2029	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
92	9/1/2029	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
93	10/1/2029	30	\$ 90,413	\$	90,413 \$	- \$ 32,435,000
94	11/1/2029	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
95	12/1/2029	30	\$ 90,413	\$	90,413 \$	- \$ 32,435,000
96	1/1/2030	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
97	2/1/2030	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
98	3/1/2030	28	\$ 84,385	\$	84,385 \$	- \$ 32,435,000
99	4/1/2030	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
100	5/1/2030	30	\$ 90,413	\$	90,413 \$	- \$ 32,435,000
101	6/1/2030	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
102	7/1/2030	30	\$ 90,413	\$	90,413 \$	- \$ 32,435,000
103	8/1/2030	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
104	9/1/2030	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
105	10/1/2030	30	\$ 90,413	\$	90,413 \$	- \$ 32,435,000
106	11/1/2030	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
107	12/1/2030	30	\$ 90,413	\$	90,413 \$	- \$ 32,435,000
108	1/1/2031	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
109	2/1/2031	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000

LOAN TERMS

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Note Date	12/29/2021
First Pay Date	2/1/2022
Original Loan Term (Months)	120
Scheduled Maturity Date	1/1/2032
Interest Accrual Basis During Amortization Periods	ACTUAL/360

Pay Period	Pay Date	Accrual Days in Period	Scheduled Payment	Interest Amount	Principal Paydown	Loan Balance
110	3/1/2031	28	\$ 84,385	\$	84,385 \$	- \$ 32,435,000
111	4/1/2031	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
112	5/1/2031	30	\$ 90,413	\$	90,413 \$	- \$ 32,435,000
113	6/1/2031	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
114	7/1/2031	30	\$ 90,413	\$	90,413 \$	- \$ 32,435,000
115	8/1/2031	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
116	9/1/2031	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
117	10/1/2031	30	\$ 90,413	\$	90,413 \$	- \$ 32,435,000
118	11/1/2031	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
119	12/1/2031	30	\$ 90,413	\$	90,413 \$	- \$ 32,435,000
120	1/1/2032	31	\$ 93,426	\$	93,426 \$	- \$ 32,435,000
Total			\$ 11,006,223	\$	11,015,264	0.00 \$ 32,435,000

EXHIBIT F
TAX OPINION



DLA Piper LLP (US)
4365 Executive Drive, Suite 1100
San Diego, California 92121-2133
www.dlapiper.com

February 1, 2022

The Maywood Apartments
c/o CP Maywood Apartments Manager, LLC
1600 Dove Street, Suite 450
Newport Beach, California 92660

Re: The Maywood Apartments

Ladies and Gentlemen:

You have requested our opinion as counsel to CP Maywood Apartments Manager, LLC, a Delaware limited liability company (the “Trust Manager”), as to certain of the anticipated federal income tax consequences of a purchase of a Class A Beneficial Interest (the “Interest”) in The Maywood Apartments (the “Trust”), a Delaware statutory trust (“DST”), pursuant to The Maywood Apartments Confidential Private Placement Memorandum dated February 1, 2022, as supplemented or amended (the “Memorandum”). More specifically, you have requested our opinion as to whether a purchaser of an Interest (the “Holder”) pursuant to the Memorandum will be considered for federal income tax purposes as owning an undivided interest in all of the assets in the Trust (the “Trust Assets”).

This opinion does not apply to the individual tax consequences of any taxpayer, and each taxpayer should consult with its own independent tax advisor with respect to the consequences of a purchase of an Interest.

1. Description of Transaction. The Trust is selling Interests in the Trust which owns the multifamily apartment community commonly known as The Maywood Apartments, located at 425 N. Oklahoma Avenue, Oklahoma City, Oklahoma 73104 (the “Project”). The Trust was formed pursuant to the Trust Agreement of The Maywood Apartments dated as of November 22, 2021 (the “Original Trust Agreement”), which was amended and restated pursuant to the Amended and Restated Trust Agreement of The Maywood Apartments (the “Trust Agreement”) by and among CP Maywood Depositor, LLC, a Delaware limited liability company, as the depositor (the “Depositor”), the Trust Manager, and Delaware Trust Company, a Delaware corporation, as the Delaware Trustee (the “Delaware Trustee”).

The Trust Agreement provides that the Trust is governed by the Delaware Trustee and the Trust Manager. The Trust has entered into a master lease agreement (the “Master Lease”) with CP Maywood Apartments MT, LLC, a Delaware limited liability company (the “Master Tenant”). The purposes of the Trust are to engage in the following activities: (i) to acquire the Project and enter into the Master Lease and the loan documents (“Loan Documents”), (ii) to hold the Project for investment and to sell, transfer or exchange the Project as required or permitted under the Trust Agreement, (iii) to make monthly distributions to the Holders from cash generated by ownership of the Project and (iv) to take such other actions as the Trust Manager deems necessary to carry out the foregoing as are permitted in the Trust Agreement.

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The Trust will hold the Trust's right, title and interest in and to the Project, the Master Lease, and any and all other property and assets (whether tangible or intangible) in which the Trust at any time has any right, title or interest (the "Trust Estate"). The Trust will hold the Trust Estate for investment purposes and will lease the Project only to the Master Tenant. Except as set forth in Sections 3.2.3 (e), (f) or (to the extent required by law) (g) of the Trust Agreement, the activities of the Trust with respect to the Trust Estate after the effective date of the Conversion Notice (in substantially the form of Exhibit F to the Trust Agreement, the "Conversion Notice") will be limited to activities that are customary services in connection with the maintenance and repair of the Project, and none of the Delaware Trustee, the Holders, the Trust Manager and their respective agents will provide non-customary services, as such term is defined in Internal Revenue Code Sections 512 and 856 and Rev. Rul. 75-374, 1975-2 C.B. 261. The Trust will conduct no business other than as specifically set forth in Sections 2.3 and 3.2 of the Trust Agreement. Without limiting the generality of the foregoing (i) none of the Delaware Trustee, the Trust Manager, the Holders or the Trust will have any power or authority to undertake any actions that are not permitted to be undertaken by an entity that is treated as a "trust" within the meaning of Treasury Regulations Section 301.7701-4 and not treated as a "business entity" within the meaning of Treasury Regulations Section 301.7701-2 and (ii) the Trust Agreement will be interpreted and enforced so as to be in compliance with the requirements of Rev. Rul. 2004-86, 2004-2 C.B. 191. For federal income tax purposes upon and after the effective date of the Conversion Notice, the Trust is intended to be an investment trust that is classified as a trust pursuant to Treasury Regulations Section 301.7701-4(c)(1) and not a "business entity."

The Trust Manager may determine, in its sole discretion, that the sale of the Project is appropriate after the Trust has held the Project for 2 years; provided, however, the Trust may sell the Project before 2 years if the Trust Manager has made a determination, in its sole discretion, that an event has occurred which could significantly and adversely affect the Project, including, but not limited to, condemnation or casualty, which was not contemplated at the time the Trust acquired the Project. Furthermore, the Trust Manager may make a determination, in writing, that the dissolution of the Trust is necessary and appropriate to preserve and protect the Trust Estate for the benefit of the Holders because (i) the Master Tenant has failed to timely pay rent due under the Master Lease after the expiration of any applicable notice and cure provisions in the Master Lease, if any, (ii) the Trust Estate is in jeopardy of being lost due to a default on the loan that is secured by the Project (the "Loan") (and in the case of either foregoing clause (i) and/or (ii), the Trust Manager is prohibited pursuant to Section 3.2 of the Trust Agreement from taking action that it believes necessary or appropriate to address such situation), (iii) the Master Tenant files for bankruptcy, seeks appointment of a receiver, makes an assignment for the benefit of its creditors or there occurs any similar event, (iv) the Trust Estate or any portion thereof is subject to a casualty, condemnation or similar event or (v) the Trust Manager determines that it is necessary to take 1 of the actions enumerated in Section 3.2.3 of the Trust Agreement to avoid the loss or potential loss of all or a portion of the Trust Estate or its value. If the Loan, or any portion thereof, is outstanding, and written notice to the lender (the "Lender") is sent by the Trust Manager, then the Trust will dissolve and wind up in accordance with Section 3808 of Chapter 38 of Title 12 of the Delaware Code (the "Act"), and each Holder's percentage share of the Trust Estate will be distributed to such Holder in accordance with Section 9.2 of the Trust Agreement.

Subject to the requirements of Section 3808 of the Act, as part of such liquidating distribution, and only in the event that a distribution would otherwise be made to the Holders under Section 9.2 of the Trust Agreement, the Holders will direct the Trust Manager to transfer title to the assets comprising the Trust Estate, and subject to all Trust liabilities, on behalf of each Holder to a newly formed Delaware limited

The Maywood Apartments
February 1, 2022
Page 3

liability company (the “Springing LLC”) (a “Transfer Distribution”) in complete satisfaction of their Interests in order to consummate the dissolution of the Trust.

Notwithstanding the above, pursuant to Section 9.2.2 of the Trust Agreement, if a determination has been made to terminate the Trust, then, provided that (i) the Trust Manager has received an opinion (in form and substance, and from tax counsel, satisfactory to the Trust Manager, in its discretion) to the effect that a conversion of the Trust into a limited liability company would not adversely affect the status of the Trust as an “investment trust” for income tax purposes, (ii) such alternative form of transaction is entered into to preserve and protect the Trust Estate and (iii) such conversion is permitted under the terms and conditions of the Loan Documents (or is otherwise consented to by the Lender), the Trust Manager may effect the transaction contemplated by the Transfer Distribution as a conversion of the Trust into the Springing LLC rather than as a Transfer Distribution. In the case of such a conversion, the Springing LLC interests shall be issued to the Holders in proportion to their respective percentage shares in the Trust Estate.

The Depositor has acquired all of the Class B Interests in the Trust, and it is anticipated that all of its Class B Interests will be redeemed pursuant to Section 6.3 of the Trust Agreement.

2. Transaction Documents. In the preparation of this opinion, we have examined the following documents (“Transaction Documents”), copies of which have been provided to you:

- 2.1 Memorandum;
- 2.2 Original Trust Agreement;
- 2.3 Trust Agreement;
- 2.4 Certificate of Trust filed with the Delaware Secretary of State on November 22, 2021;
- 2.5 Master Lease;
- 2.6 Purchase Agreement and Escrow Instructions (the “Purchase Agreement”); and
- 2.7 Certificate of the Trust, Trust Manager, the Master Tenant and the Depositor dated February 1, 2022 (the “Certificate”).

3. Assumptions. In rendering our opinion we have made, with your consent, the following assumptions:

- 3.1 All of the facts and statements, and the description of the transaction set forth in Section 1 are true and accurate in all respects and the transaction will occur as set forth in Section 1;
- 3.2 All statements in the documents and the Certificate set forth in Section 2 are true and accurate;
- 3.3 The Trust, the Delaware Trustee and the Trust Manager will operate the Project pursuant to the Trust Agreement;

The Maywood Apartments
February 1, 2022
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- 3.4 The Trust will not engage directly, or through the Delaware Trustee or the Trust Manager, in any activity other than those allowed under the Trust Agreement;
- 3.5 The purchase price of an Interest does not exceed its fair market value;
- 3.6 The items of compensation to the Trust Manager and its Affiliates are reasonable in amount based on the services actually rendered or to be rendered to or on behalf of the Trust;
- 3.7 The Trust does not intend to enter into a joint venture or partnership with the Trust Manager;
- 3.8 The Master Tenant will comply with the terms of the Master Lease;
- 3.9 No election has been made to treat the Trust as a corporation or partnership for federal income tax purposes;
- 3.10 At least 90% of the value of the Project is attributable to real estate and no more than 10% is attributable to personal property;
- 3.11 The terms of the Master Lease, considering the Master Lease and all surrounding circumstances, conform with normal business practice and the Master Lease is not designed as a means of basing rent on income or profits of the Project;
- 3.12 The Master Tenant is adequately capitalized in light of its anticipated obligations under the Master Lease;
- 3.13 Neither the Trust nor the Delaware Trustee has entered into a written agreement with the Trust Manager or the Holders creating an agency relationship, including with third parties;
- 3.14 Neither the Trust nor the Delaware Trustee has represented that it is an agent of the Trust Manager or the Holders;
- 3.15 Any lender to the Trust is not related to the Trust Manager, the Delaware Trustee, the Master Tenant or the Holders within the meaning of Code Sections 267(b) or 707(b);
- 3.16 The Trust was not formed for tax avoidance purposes; and
- 3.17 There will be no more than 480 Holders.

With your consent, we have not independently verified the facts supporting the assumptions set forth in this Section 3, but we have no reason to believe that the facts supporting the assumptions are untrue.

4. Basis of Opinion. In forming our opinions, we have, with your consent, relied on various representations that you have made to us in the Certificate, on certain factual information set forth in Section 1 and on the assumptions set forth in Section 3. A copy of the Certificate is attached as Exhibit A and made part of this opinion letter. We have reviewed the Certificate with your representative who signed the Certificate on your behalf, and although we have not independently verified the representations, statements and assumptions set forth in the Certificate, in the course of our consideration of these matters, no facts have come to our attention which have caused us to believe that such representations, statements

The Maywood Apartments
February 1, 2022
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or assumptions are untrue. In addition, except as to matters we have assumed as provided herein, we have reviewed such other documents and performed such other investigations as we have deemed customary and prudent for purposes of rendering our opinions. In our examination, we have assumed the authenticity of all documents submitted to us as originals, the accuracy of copies, the genuineness of signatures and the capacity of each party executing the documents to execute such documents. We have assumed (i) that the documents reviewed and relied upon by us in preparing this opinion were duly authorized, executed and delivered by and on behalf of the parties thereto, (ii) that such documents are legal, valid and binding obligations of the parties thereto, (iii) that such documents contain the entire agreement of the parties with respect to the subject matter of the documents and that there are no other documents, agreements or understandings relating thereto and (iv) that no other consents or approvals are required.

Our opinions and the legal conclusions expressed herein are based on the facts and representations in existence and on the laws and regulations in effect as of the date hereof, all of which are subject to change prospectively and retroactively.

An opinion of counsel is predicated on all the facts, conditions and assumptions set forth in the opinion and is not a guarantee of the current status of the law, and should not be accepted as a guarantee that a court of law or an administrative agency will concur in the opinion. If any of the facts, conditions or assumptions prove incorrect, it is likely that the tax consequences would change. The issue on which we have expressed an opinion herein has not been definitively resolved by statutes, regulations, rulings or judicial opinions. In addition, the opinion issued is a “should” opinion. A “should” opinion means that counsel believes that, if properly litigated by competent counsel, an Interest should be treated as an interest in real property. Accordingly, no assurances can be given that the conclusions expressed herein will be accepted by the IRS or any state taxing authority, or, if contested, would be sustained by a court, or that legislative changes or administrative pronouncements or court decisions may not be forthcoming that would significantly alter or modify the conclusions expressed herein. Further, because counsel represents the Trust, the opinion has been rendered to the Trust. The opinion is not intended to be used by any taxpayer to avoid penalties.

When we opine as to a result, we assume that the issues will be adequately briefed and argued by competent counsel through appeals.

As used in this letter, the term “Code” means the Internal Revenue Code of 1986, as amended; “Treasury Regulations” mean the Federal Income Tax Regulations issued under the Code; and “IRS” means the Internal Revenue Service.

5. Discussion.

5.1 In General. Code Section 1031(a)(1) provides that “[n]o gain or loss shall be recognized on the exchange of property held for productive use in a trade or business or for investment if such property is exchanged solely for property of like kind which is to be held either for productive use in a trade or business or for investment.” Thus, a determination has to be made as to whether a Holder will be treated as acquiring an interest in real property.

5.2 Trust Must be Recognized as a Separate Entity. The first determination that has to be made is whether the Trust will be treated as an entity that is separate from its owners for federal income tax purposes. Whether an organization is an entity separate from its owners for federal income tax purposes is a matter of federal tax law and does not depend on whether the organization is recognized as an entity

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under local law.¹ An entity that is formed under local law is not always recognized as a separate entity for federal income tax purposes.² 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 tax purposes.³

5.2.1 Entity Determination. The initial determination is whether the Trust will be viewed as an entity. The IRS in Revenue Ruling 2004-86 (the “Revenue Ruling”) held that the Delaware statutory trust (“DST”) was an entity that was recognized as separate from its owners. The IRS made this determination based on the fact that (i) creditors of the beneficial owners of the DST could not assert claims directly against property owned by the DST, (ii) the DST could sue or be sued and the property held by the DST was subject to attachment and execution as if it were a corporation, (iii) the beneficial owners of the DST were entitled to the same limitation on personal liability because of actions of the DST that is extended to stockholders of Delaware corporations, (iv) the DST could merge or consolidate with or into 1 or more statutory entities or other business entities and (v) the DST was formed for investment purposes. The foregoing limitations also apply to the Trust. Thus, based on the above, the Trust should be recognized as a separate entity.

5.2.2 No Agent. The next determination that must be made is whether the Trust or the Trust Manager will be viewed as an agent of the Holders. Whether a trust or its trustee is an agent of a trust’s beneficial owners depends upon the agreement between the parties.⁴ An entity that is formed to act as a mere agent of its owners will not be treated as an entity that is separate from its owners for federal income tax purposes. The Supreme Court in *Commissioner v. Bollinger*⁵ held that the owners of a corporation were the owners of the property and the corporation was an agent for the owners. The corporation agreed (i) to hold title to the property as the owners’ nominee and agent solely to secure financing, (ii) that the owners had sole control and responsibility for the property and (iii) that the owners were the principal and owner of the property during its financing, construction and operation.

The IRS concluded in Revenue Ruling 92-105⁶ that an interest in an Illinois land trust constituted real property and the trust was not treated as a separate entity for federal income tax purposes. The taxpayer in the revenue ruling created an Illinois land trust, was named the beneficiary and named a domestic corporation as trustee. The taxpayer transferred legal and equitable title to certain real property to the trust subject to the provisions of an accompanying land trust agreement. Under the land trust agreement, the taxpayer (i) retained exclusive control of the management, operation, rental and sale of the real property, together with an exclusive right to the earnings and proceeds from the real property and (ii) was required to file all tax returns, pay all taxes and satisfy any other liabilities with respect to the real property. Because the trustee’s only responsibility was to hold and transfer title to the property at the direction of the beneficiary, and because the beneficiary retained the direct obligation to pay liabilities and taxes related to the property, the right to manage and control the property, as well as any liability with respect to the property, the IRS concluded that a trust was not established.

¹ Treas. Reg. § 301.7701-1(a)(1).

² Treas. Reg. § 301.7701-1(a)(3).

³ Rev. Rul. 2004-86, 2004-2 C.B. 191.

⁴ Rev. Rul. 2004-86, 2004-2 C.B. 191.

⁵ 485 U.S. 340 (1988).

⁶ Rev. Rul. 92-105, 1992-2 C.B. 204.

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The Trust should not be viewed merely as an agent of the Holders because, unlike the trusts in *Bollinger* and Revenue Ruling 92-105, the Holders have no right or power to direct the actions of the Trust, the Trust Manager or the Master Tenant in connection with the management or operation of the Trust or the Project.⁷ Specifically, the Holders have no right or power to contribute additional assets to the Trust, cause the Trust to negotiate or renegotiate loans or leases or cause the Trust to reinvest the proceeds of a sale of its assets.⁸ The Trust Agreement provides that the Trust's sole purpose is to acquire, lease and dispose of the Project. Additionally, the Trust is subject to "single asset entity" provisions as mandated by the Lender.⁹ These provisions evidence an intent that the Trust will engage in activities on its own behalf rather than as an agent of the Holders. Finally, because the Trust is a DST, the Holders may avail themselves only of the limited powers and privileges afforded to a beneficial owner under Delaware law. Based on the above, the Trust should be recognized as an entity separate from the Holders for federal income tax purposes and the Trust, the Delaware Trustee and the Trust Manager should not be viewed as agents of the Holders for federal income tax purposes.

5.3 Trust Treated as an Investment Trust. The next determination is whether the Trust will be treated as a "business entity" or as an "investment trust" that is classified as a trust pursuant to Treasury Regulations Section 301.7701-4(c)(1). In general, the term "trust" refers to an arrangement created either by a will or by an inter vivos declaration whereby trustees take title to property for the purpose of protecting or conserving it for the beneficiaries.¹⁰ The beneficiaries of such a trust may be the persons who created it and it will be recognized as a trust if it was created for the purpose of protecting or conserving the trust property for beneficiaries who stand in the same relation to the trust as they would if the trust had been created by others for them.¹¹ Generally, an arrangement will be treated as a trust if it can be shown that the purpose of the arrangement is to vest in trustees responsibility for the protection and conservation of property for beneficiaries who cannot share in the discharge of this responsibility and, therefore, are not associates in a joint enterprise for the conduct of business for profit.¹² 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.¹³ 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 if there is no power under the trust agreement to vary the investment of the certificate holders.¹⁴ An investment trust with multiple classes of ownership interests ordinarily will be classified as a business entity, however, an investment trust with multiple classes of ownership interests, in which there is no power under the trust agreement to vary the investment of the certificate holders, will be classified as a trust 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.¹⁵ A power to vary the investment of the certificate holders exists where there is managerial power, under the trust instrument, that enables a trust to take advantage of variations in the market to improve the investment of the investors.¹⁶

⁷ See Trust Agreement at Section 6.2.

⁸ See Trust Agreement at Section 6.2.

⁹ See Trust Agreement at Section 3.2.

¹⁰ Treas. Reg. § 301.7701-4(a).

¹¹ Treas. Reg. § 301.7701-4(a).

¹² Treas. Reg. § 301.7701-4(a).

¹³ Treas. Reg. § 301.7701-4(c).

¹⁴ Treas. Reg. § 301.7701-4(c).

¹⁵ Treas. Reg. § 301.7701-4(c).

¹⁶ See *Commissioner v. North American Bond Trust*, 122 F.2d 545, 546 (2d Cir. 1941).

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5.3.1 Summary of Revenue Ruling. The Revenue Ruling involved the determination of the tax treatment of a DST that invested in real property. Under the Revenue Ruling, Party A borrowed money, on a nonrecourse basis, from a bank and used the proceeds of the loan to purchase rental real property (“Blackacre”). The note was secured by Blackacre. Immediately following Party A’s purchase of Blackacre, Party A entered into a net lease with Party Z for a 10-year term. Under the terms of the lease, Party Z was required to pay all taxes, assessments, fees or other charges imposed on Blackacre. In addition, Party Z was required to pay all insurance, maintenance, ordinary repairs and utilities relating to Blackacre. Party Z could sublease Blackacre. Party Z’s rent was a fixed amount that could be adjusted by a formula described in the lease agreement that was based upon a fixed rate or an objective index provided that the adjustments to the rate or index were not within the control of any of the parties to the lease. The rent was not contingent on Party Z’s ability to lease the property or on Party Z’s gross sales or net profits derived from Blackacre.

On the same day, Party A formed a DST and Party A contributed Blackacre to the DST. The DST assumed Party A’s rights and obligations under the note with the bank and the lease with Party Z. Neither the DST nor any of its beneficial owners were personally liable to the bank on the note, which continued to be secured by Blackacre.

The trust agreement provided that interests in the DST were freely transferable. The DST terminated on the earlier of 10 years from the date of its creation or the disposition of Blackacre, but did not terminate on the bankruptcy, death or incapacity of any owner or on the transfer of any right, title or interest of an owner. The trust agreement further provided that interests in the DST would be of a single class, representing undivided beneficial interests in the assets of the DST.

Under the trust agreement, the trustee was authorized to establish a reasonable reserve for expenses associated with the holding of Blackacre that may be payable out of trust funds. The trustee was required to distribute all available cash less reserves quarterly to each beneficial owner in proportion to their respective interests in the DST. The trustee was 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 was permitted to invest only in obligations maturing prior to the next distribution date and was required to hold such obligations until maturity. In addition to the right to a quarterly distribution of cash, each beneficial owner had the right to an in-kind distribution of its proportionate share of trust property.

The trust agreement provided that the trustee’s activities were limited to the collection and distribution of income. The trustee could not exchange Blackacre for other property, purchase assets other than the short-term investments described above or accept additional contributions of assets (including money) to the DST. The trustee could not renegotiate the terms of the debt used to acquire Blackacre and could not renegotiate the lease with Party Z or enter into leases with tenants other than Party Z, except in the case of Party Z’s bankruptcy or insolvency. In addition, the trustee could make only minor nonstructural modifications to Blackacre, unless otherwise required by law. The trust agreement further provided that the trustee could engage in ministerial activities to the extent required to maintain and operate the DST under local law.

Neither the DST nor its trustee entered into an agreement with the beneficial owners creating an agency relationship, and neither the DST nor its trustee acted as an agent of the beneficial owners.

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To determine whether the DST qualified as an investment trust that is classified as a trust for federal income tax purposes, the Revenue Ruling discussed whether the trust agreement granted the power to vary the investment held by the DST. The Revenue Ruling indicated that the financing and leasing arrangements related to Blackacre were made prior to the inception of the DST and were fixed for the entire life of the DST. Further, the trustee was permitted to only invest in short-term obligations that matured prior to the next quarterly distribution date and was required to hold the obligations until maturity. The Revenue Ruling concluded that because the trust agreement required that any cash from Blackacre, and any cash earned on short-term obligations held by the DST between distribution dates, be distributed quarterly and because the disposition of Blackacre resulted in the termination of the DST, no reinvestment of such monies was possible.

The Revenue Ruling emphasized that the trustee's activities were limited to the collection and distribution of income. The trustee could not exchange Blackacre for other property, purchase assets other than short-term investments or accept any additional contributions of assets (including money) for the DST. The trustee could not renegotiate the terms of the loan and could not renegotiate the lease with Party Z or enter into leases with tenants other than Party Z except in the case of Party Z's bankruptcy or insolvency. In addition, the trustee could only make minor nonstructural modifications to the property except to the extent required by law. The Revenue Ruling noted that the trustee had none of the powers which evidence an intent to carry on a profit making business. The Revenue Ruling concluded that because the trustee had no power to vary the investment of the beneficiaries of the trust, the DST will be classified as a "trust" for federal income tax purposes.

The Revenue Ruling indicated that the trust arrangement would not have qualified as an investment trust, and therefore would not have been classified as a "trust," if the trustee had been given the power to do 1 or more of the following:

- dispose of Blackacre and acquire new property;
- renegotiate the lease with Party Z, or enter into a lease with a tenant other than Party Z (other than in the case of the bankruptcy or insolvency of Party Z);
- renegotiate or refinance the loan used to purchase Blackacre (other than in the case of the bankruptcy or insolvency of Party Z);
- invest cash received to profit from market fluctuations; or
- make more than minor nonstructural modifications to Blackacre that were not required by law.

5.3.2 The Trust Agreement. The powers and authority granted to the Trust Manager in the Trust Agreement are intended to fall within the limited scope of the powers and authority that may be exercised by a trustee of an "investment trust." The Trust Agreement authorizes the Trust Manager to comply with the terms of the Loan Documents, collect rents and make distributions, enter into any agreements for the purposes of enabling a Holder to complete a like-kind exchange, notify the relevant parties of any default under the Transaction Documents and enter into a new lease solely under very limited circumstances pertaining to a bankruptcy or insolvency of the Master Tenant or renegotiate or refinance any debt secured by the Project (including, without limitation, the Loan) solely under very limited circumstances pertaining to a bankruptcy or insolvency of the Master Tenant. Additionally, the Trust Agreement expressly denies the Trust Manager any power or authority to take any action that would cause the Trust to cease to be an investment trust described in Treasury Regulations Section 301.7701-4(c) or of each Holder as a "grantor" within the meaning of Code Section 671. Many of the prohibited actions are

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factual in nature (i.e., whether or not more than a minor nonstructural modification, other than as required by law was performed at the Project). We are relying on the Certificate regarding certain factual matters and will not independently verify the accuracy of the matters subject to such certification.

Although the Trust Agreement grants certain powers to the Trust Manager and/or the Delaware Trustee that are not addressed in the trust arrangement described in the Revenue Ruling, we believe that these powers should not prevent the Trust from being treated as an investment trust. Those powers include (i) the sale of the Project and (ii) the potential liquidation and termination of the Trust as a result of a Transfer Distribution. We believe that neither of these powers permit the Delaware Trustee or Trust Manager to vary the investments of the certificate holders of the Trust in a manner that results in the Holders improving their investment results based on variations in the market.¹⁷

The power granted under the Trust Agreement to sell the Project should not be viewed as a power to vary the Trust's investments because the Trust is prohibited from reinvesting the proceeds of the sale. Immediately after a sale of the Project, the Trust Manager must distribute the sales proceeds to the Holders and the Trust will terminate. The Delaware Trustee has no power to purchase replacement investments with the proceeds from the sale of the Project. As a result, the fact that the Delaware Trustee has the power to sell the Project should not prevent the Trust from being treated as an investment trust that is classified as a "trust" for federal income tax purposes.

A Transfer Distribution should not be viewed as inconsistent with the limitations imposed on an investment trust under the Revenue Ruling. A Transfer Distribution would occur only under specified circumstances that would, in the absence of the Trust termination, require actions that either are not authorized, or are prohibited, by the Trust Agreement. The fact that such circumstances are not expected or likely further supports the conclusion that a Transfer Distribution is not intended to circumvent the passive nature of the Trust with respect to its ownership of the Trust Estate. The termination of the Trust and the transfer of the Trust Estate (or the conversion of the Trust) to the Springing LLC, an entity that has the power to engage in the actions required under the specified circumstances, is evidence that the Trust is intended to act simply as a passive holder of the assets comprising the Trust Estate.

5.3.3 Master Lease. As set forth in the Revenue Ruling, the Trust must be considered an "investment trust." Pursuant to Treasury Regulations Section 301.7701-4(c), an "investment" trust will not be classified as a trust if there is a power to vary the investment of the certificate holders. If the Trust has the power to vary the investment of the certificate holders, the Trust will be considered a business trust for federal income tax purposes. The Revenue Ruling involved a DST that entered into a net lease for the property. The courts have interpreted a net lease, for federal income tax purposes, to mean a lease that is designed to transfer (or minimize) the economic risk of fluctuating operating costs from the lessor to the lessee.¹⁸ Generally, if a tenant is responsible for paying for all expenses related to the property and operating the property, the activities of the trust should be considered

¹⁷ See, Rev. Rul. 75-192, 1975-1 C.B. 384 (right to reinvest funds in short-term obligations was not a power to vary the investment); Rev. Rul. 78-371, 1973-1 C.B. 384 (trustee could purchase and sell contiguous or adjacent real estate, accept or reject certain contributions of contiguous or adjacent real estate, raze or erect any building or structure, make any improvements to the land contributed to the trust, to borrow money, and to mortgage and lease the trust property held a business entity and not a trust); Rev. Rul. 73-460, 1973-2 C.B. 424 (depositor could direct the trustee, under limited circumstances to accept or reject a "substitution" of new bonds for old bonds proposed by the obligor of such bonds, as the depositor may deem proper; held a trust).

¹⁸ *Qantas Airways Limited v. United States*, 1997 WL 314403 (Fed. Cl.).

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to be the mere leasing of property and not the operation of a trade or business.¹⁹The Trust is required to pay debt service under the Loan. In addition, pursuant to the Master Lease, the Trust must pay for the Trust Obligations (as defined in the Memorandum). Thus, the Master Lease is not similar to the net lease described in the Revenue Ruling.

The Revenue Ruling does not incorporate the requirement for a net lease in the legal analysis regarding whether the DST will be considered to be an investment trust and is only a factual statement in the Revenue Ruling. The Revenue Ruling does enumerate 7 prohibited actions which would cause the trust not to be treated as an investment trust for federal income tax purposes. The lack of a net lease was not included in these prohibitions. Thus, it does not appear that the Revenue Ruling imposes a requirement that, in order to be considered an investment trust, the lease between the DST and the tenant must be a net lease similar to the one described in the Revenue Ruling.

There is not a consistent definition of “net lease” under the Code and judicial authority. Thus, it is not clear whether the Master Lease would be considered to be a net lease for federal income tax purposes. Former Code Section 57(c)(1) provided that a lease would be considered to be a net lease if, for a taxable year the sum of the deductions of the lessor with respect to a property (which are allowable solely by reason of Code Section 162 other than rents and reimbursed amounts with respect to such property) were less than 15% of the rental income produced by such property. If this test were applied to the Master Lease, the Master Lease would be considered to be a net lease for federal income tax purposes based on the Projections (as defined in the Memorandum) prepared by the Trust Manager. However, it is possible that the fact that the Trust is responsible for the Trust Obligations could cause the Master Lease to be treated as a gross lease (and not a net lease) for federal income tax purposes.

Even if the Master Lease were to be considered a gross lease (and not a net lease), there is no authority under Treasury Regulations Section 301.7701-4(c) regarding whether the lease of real property under a lease that is not a net lease will have any effect on whether the Trust will be considered an investment trust. If the Trust were considered to be in an active trade or business, the Trust would not qualify as an investment trust. Certain rules have developed regarding whether the activities of a taxpayer will be sufficient to be considered engaging in an active trade or business when the taxpayer merely receives income from rental property. The majority of the case law regarding whether or not the ownership of real estate will be considered to be a trade or business is based on the activities of the taxpayer. For example, in Revenue Ruling 79-394, the IRS found that a corporation was considered to be engaged in an active trade or business if its conduct of its rental activities “demonstrates considerable day to day management and operational activity sufficient for purposes of distinguishing such conduct from passive investment in real estate. Furthermore, objective criteria such as [the corporation’s] acquiring, renovating, refurbishing, maintaining, leasing and servicing its rental property and its payment of salaries and expenses support this conclusion.” Further, in PLR 7904019 (October 24, 1978), an individual owned and leased property under a lease that required the landlord to pay for taxes, insurance and for certain operational expenses related to the property. The IRS indicated that, although the landlord was required to pay for certain expenses related to the property, the landlord did not supervise or participate in the operation or management of the property. Thus, the landlord was not engaged in a trade or business. Under Code Section 512(b)(3)(B)(ii), courts have held that a landlord’s payment of a number of expenses related to property subject to a crop-sharing lease would not prevent the rent paid to the landlord from qualifying as “passive rent”.²⁰ When looking at the sharecrop

¹⁹ *Id.*

²⁰ *See, e.g.,* Trust U/W Emily Oblinger v. Commissioner, 100 T.C. 114 (1993); White’s Iowa Manual Labor Institute v. Commissioner, TCM 1993-364 (the landlord and tenant share some expenses equally, the tenant paid the

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leases, the courts focused on the fact that the lease terms were customary in the applicable market when finding that the leases were true leases for federal income tax purposes. Treasury Regulations Section 1.856-4(b)(3) (made applicable to leases by charitable organizations by Treasury Regulations Section 1.512(b)-1(c)(2)(iii)(b)) provides that “an amount will not qualify as ‘rents from real property’ if, considering the lease and all the surrounding circumstances, the arrangement does not conform with normal business practice but is in reality used as a means of basing the rent on income or profits.” However, in AOD 1994-01, the IRS stated that it did not agree with the cases that had held the sharecrop leases to be true leases, but, in view of its lack of success in the courts, had decided that it would no longer litigate these issues with regard to the “typical crop sharing agreement.” We have relied on the Certificate which includes representations that the terms of the Master Lease are consistent with market terms of similar leases and is not an effort to share in income or profits.

In separate authority under the Subchapter S rules, the determination of whether the ownership of real estate will result in “passive investment income” looks at both the activities and the amount of funds expended by the owner of the real estate. A Subchapter S election will be terminated if a corporation (i) has accumulated earnings and profits at the close of each of 3 consecutive taxable years and (ii) has gross receipts for each of such taxable years more than 25% of which are “passive investment income,” which includes for this purpose “rents.”²¹ Treasury Regulations Section 1.1362-2(c)(5)(ii)(B)(2) provides, however, that “rents” do not include rents derived in the active trade or business of renting property, and states that rents received by a corporation are derived in the active trade or business of renting property only if the corporation provides significant services or incurs substantial costs in the rental business. There is limited authority interpreting the above definition of “substantial costs” for this purpose. In PLR 200808004 (February 2, 2008), the only private letter ruling that appears to interpret this phrase, the IRS indicated that the standard to be applied when making this determination is based “upon all the facts and circumstances, including, but not limited to, the number of persons employed to provide the services and the types and amounts of costs and expenses incurred (excluding depreciation).” In PLR 200808004, the IRS determined that a corporation’s payment of real property taxes in respect of leased property did not constitute engaging in an active trade or business. The Master Lease provides that the Trust is responsible for the Trust Obligations. Thus, if the standard applied in PLR 200808004 is applied to the Trust, the Trust could be viewed as incurring “substantial costs” which would result in the Trust being engaged in an active trade or business and the Trust would fail to qualify as an investment trust for federal income tax purposes. However, it should be noted that this provision has been limited to Subchapter S and has not been applied to other areas of the Code where a similar determination of whether a taxpayer is involved in a trade or business is required.

The Trust is merely leasing property to the Master Tenant and the Master Tenant, and not the Trust, has the obligation to operate the Project and provide the day-to-day repair and maintenance of the Project. The Trust has no employees, and is merely paying for certain expenses associated with the Project, rather than actively providing services to the Master Tenant or to the Project. The Master Tenant, and not the Trust, is responsible for engaging contractors to perform the services for the maintenance and repair of the Project. Moreover, the Trust’s financial responsibilities primarily relate to expenses of a type that benefit the Project as a whole, and, therefore, protect and conserve the value of the Trust Estate. As a result, even though the Master Lease is not a net lease as set out in the factual assumptions in the Revenue Ruling, the Trust should

“substantial” operating expenses, including machinery and labor costs, and the landlord “agreed to pay certain other costs which primarily affected the value of the farm; i.e., materials to repair buildings, fences, and other improvements, and lime to improve or maintain the quality of the soil”).

²¹ I.R.C. § 1362(d)(3).

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not be viewed as engaging in an active trade or business that would prevent it from being treated as an investment trust.

5.4 True Lease. The Project is leased by the Trust to the Master Tenant pursuant to the Master Lease. The IRS could take the position that the Master Lease is not a true lease and is instead an agency relationship. If such a position were taken, the Trust would not qualify as an investment trust and Interests would not qualify as real property for purposes of Code Section 1031. In determining whether a lease arrangement is a true lease, rather than an agency relationship, the IRS and the courts have generally engaged in a fact-intensive analysis which focuses on the following 2 factors: (i) who controls the use of the property and (ii) who bears the risk of loss in respect of such use.

5.4.1 Control of the Use of the Property. Where the property owner controls the use or operation of the property, an agency or financing relationship is more likely to be found. In determining who holds control with respect to the use or operation of property, the IRS and the courts have adopted flexible standards to weigh whether the right to exploit the use of the property for its own benefit has been sufficiently transferred to the lessee. In *Amerco v. Commissioner*,²² the Tax Court found that the lessee's day-to-day control over the use and leasing of the trucks, power to set or recommend the terms of leasing the trucks to the public and exclusive control and supervision over all operating expenses was sufficient lessee control to outweigh the lessor's right to require periodic accountings and to enter the premises to determine whether income was reported accurately and the obligation of the lessee to promote the welfare of the lessor. In contrast, in *Meagher v. Commissioner*,²³ the Tax Court found that an agency relationship existed where the lessee was required to use its best efforts to lease the owner's railway cars, maintain adequate records and obtain insurance with the owner as a co-beneficiary. However, in *Meagher*, the Tax Court also focused on the fact that the "rent" due under the purported lease was based on net earnings and no payment was due to the lessor if the property did not generate a net profit. Factors which indicate that the lessee holds powers or obligations which are indicia of property rights, such as the lessee's continuing exclusive right to use and possess the property following a sale of the property by the lessor or an obligation to pay rent regardless of the profit generated by a property can shift the balance towards a finding of a true lease. Although the Master Lease restricts the use of the Project as an apartment community, the Master Tenant has the exclusive right to use and possess the Project pursuant to the Master Lease. In addition, the Master Tenant has control over the day-to-day operation and maintenance of the Project and is responsible for all costs associated with such operation and maintenance. Further, the Master Tenant has an obligation to pay rent to the Trust regardless of whether the Project generates any profit. In addition, any profits generated by the Master Tenant's operation of the Project will be retained by the Master Tenant.

5.4.2 Risk of Loss. If the property owner bears the risk of loss from the operations or activities conducted at the property, an agency relationship is more likely to be found. In determining who holds the risk of loss, courts have focused on whether "rent" payments are required only if there is a net profit, whether the lessee is entitled to a minimum or maximum fee, or whether the liability of the owner with respect to operating expenses or the activities of the property are limited. The Master Lease provides that the rent includes Base Rent (as defined in the Memorandum) payable in all events. In addition, the Master Lease requires the Trust to be responsible for the Trust Obligations. However, the Master Tenant is responsible for the payment of the day-to-day operating expenses of the Project. The Master Lease provides that neither the Trust nor the Master Tenant may take any action that would violate

²² 82 T.C. 654 (1984).

²³ T.C. Memo. 1977-270 (U.S. Tax Ct.).

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the provisions of the Revenue Ruling including that neither the Trust nor the Master Tenant may make any modification to the Project other than minor nonstructural modifications or as required by law. We have relied on the Certificate which includes representations that the terms of the Master Lease are consistent with the market terms of leases similar to the Master Lease and are not merely a disguised attempt to share in the profits or income of the Project. The Master Tenant is obligated to pay Base Rent due under the Master Lease, including Additional Rent, regardless of whether the Project generates a profit.

There is limited case law with respect to whether limited capitalization of a lessee effectively shifts the risk of loss to the lessor. The assets of the Master Tenant consist only of (i) the Master Lease, (ii) \$250,000 in cash and (iii) a \$500,000 promissory note issued by CORE Pacific Advisors, LLC (“CORE Pacific”), which note is guaranteed by certain principals of CORE Pacific. We have relied on the Certificate which includes representations that the Master Tenant is adequately capitalized considering its obligations, including, but not limited to, those under the Master Lease. If the Master Lease is not respected as a true lease, the Master Tenant will be treated as an agent of the Trust and the business activities of the Master Tenant in operating the Project will be attributed to the Trust. In such case, the Interests would likely be considered partnership interests and not interests in real estate.

In addition to a potential challenge described above that the Master Tenant is acting as agent for the Trust, the IRS could assert that the Master Lease and the Loan create in substance a partnership arrangement between the Trust and the Master Tenant for federal income tax purposes. For such a challenge to succeed, the IRS would likely need to show that the Master Tenant and the Trust not only share revenue but also share risk of loss from owning and operating the Project. Upon the occurrence of an Event of Default under in the Loan documents (which includes the default by the Master Tenant under the Master Lease and the subordination agreement it has entered into with respect to the Loan), the Lender has the right to require that all funds from the operations of the Project and the rent paid by the Master Tenant to the Trust be swept into separate lockbox accounts under the control of the Lender. The Loan documents require that the cash from operations at the Project be segregated into a cash management account in the name of the Lender (the “Lockbox Account”) and the amount representing rent under the Master Lease be held in a lockbox in the name of the Lender. The Lockbox Account will be used to collect the income from the Project and to pay the Master Tenant’s expenses as set forth in the Master Lease. Upon an Event of Default under the Loan documents, the Lender will have the right to apply the amounts in the Lockbox Account against obligations under the Loan documents after the payment of rent under the Master Lease. This arrangement may, under certain circumstances, give the Lender the right to take funds of the Master Tenant that were held in the Lockbox Account in excess of amounts the Master Tenant owes to the Trust pursuant to the Master Lease. In order to avoid the potential loss sharing, (i) the Trust is contractually obligated to reimburse the Master Tenant for any amounts that the Lender takes in excess of the Master Tenant’s rent obligations and (ii) the Trust has established a \$35,000 Reimbursement Reserve that is not subject to the Lender’s security agreement to provide funds to satisfy any such reimbursement obligations. The Trust Manager has certified that the \$35,000 Reimbursement Reserve is expected to be sufficient to cover any reimbursement obligation it may have under this arrangement. Further, if at any time it appears as if additional funds in excess of the \$35,000 Reimbursement Reserve may be taken by the Lender, the Trust will be required to convert into the Springing LLC.

The IRS could take the position that the lockbox provisions described above could result in the Trust and the Master Tenant having entered into a loss sharing arrangement which is one of the factors that the IRS considers when determining whether a partnership has been created for federal income tax purposes. Although the Trust and the Master Tenant do not intend to form a partnership with each other,

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if a loss sharing arrangement has been created, it could cause the Trust and the Master Tenant to be considered to be in a partnership for federal income tax purposes. However, given the obligation of the Trust to reimburse the Master Tenant for any excess amounts taken by the Lender, the Master Tenant is unlikely to be required to fund any amount to the Trust in excess of its obligations to the Trust. As a result, the Master Lease should not be considered a partnership for federal income tax purposes. If the Master Tenant and the Trust were viewed to be a partnership for federal income tax purposes, the interest in the Trust would not qualify as real estate for purposes of Code Section 1031. Further, if a Master Lease Termination Event occurs and the Lender terminates or directs the Trust to terminate the Master Lease, and the Trust springs into a limited liability company, the beneficial interest holders will not be able to participate in a Section 1031 exchange on the sale of the Project by the Springing LLC.

The Loan documents have been prepared using forms recently released by Fannie Mae for loans to Delaware statutory trusts. It is not entirely clear how these loan documents may adversely impact whether (i) a borrower that is a Delaware statutory trust qualifies as a grantor trust for federal income tax purposes and (ii) the Master Lease will be respected as a true lease for federal income tax purposes. There are provisions in the Loan documents that may not be considered commercially reasonable and may impact the treatment for federal income tax purposes, including the following: (i) the ability of the Lender to apply Master Tenant funds in excess of what the Master Tenant owes under the Master Lease; (ii) the Master Tenant is required to provide a power of attorney to the Trust and the Trust is required to provide a power of attorney to the Lender and, as a result, the Lender has the power to operate the Project even if there is no default under the Loan documents; (iii) if there is a default by the Trust under the Master Lease, the Master Tenant should also be entitled to recover damages, however, the Loan documents prohibit any recovery by the Master Tenant; (iv) the Master Tenant should not be making any representations to the Lender regarding the status of the Project because the Project is owned by the Trust; and (v) the Lender can take over the Project if it believes that there is an adverse event that may occur whether or not it actually does occur and whether or not there is a default.

The IRS issued Revenue Procedure 2001-28, which set forth the guidelines the IRS will use in determining whether certain transactions purporting to be leases of property are, in fact, leases or something else for federal income tax purposes.²⁴ Revenue Procedure 2001-28 provides that the lessor must have an initial investment in the property equal to at least 20% of the cost of the property, the lessor must maintain an investment equal to at least 20% of the cost of the property during the ownership period and the lessor must represent and demonstrate that an amount equal to at least 20% of the original cost of the property is a reasonable estimate of what the fair market value of the property will be at the end of the lease term. The Trust Manager has certified that the above requirements have been met (with respect to the initial investment) and are anticipated to be met (with respect to the continued and residual value). In addition, the IRS has indicated in Revenue Procedure 2001-28 that the lessor must represent and demonstrate that a remaining useful life for the property of the longer of 1 year or 20% of the originally estimated useful life of the property is a reasonable estimate of what the remaining useful life of the property will be at the end of the lease term. For purposes of determining the lease term, all renewal options or extension periods except renewals or extension periods at the option of the lessee at fair market value at the time of such renewal or extension are included. The Master Lease has a 10-year term. The Property Condition Assessment for the Project dated January 13, 2022, indicates that the Project has a remaining useful life of

²⁴ Rev. Proc. 2001-28, 2001-1 C.B. 1156.

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approximately 40 years. Thus, there should be at least 20% of the useful life of the Project left at the end of the term of the Master Lease.

5.5 Multiple Classes of Ownership Interests. The Treasury Regulations provide that a trust arrangement that would be treated as an investment trust with multiple classes of ownership will still be treated as an investment trust if the multiple classes of ownership interests are incidental to the investment purpose of the trust.²⁵

It is possible that the IRS may assert that the redemption of the Class B beneficial interests gives rise to multiple classes of ownership interests even though the rights of a Class B beneficial interest owner otherwise will be identical to the rights of the Holders. We believe that the redemption right should be treated as existing simply to facilitate an investment in the Interests. The redemption simply replaces the Class B beneficial interest owner's pro rata ownership interest in the Trust and its underlying assets with that of the Holders. This same result could be accomplished by selling the Class B beneficial interests. Because under either scenario the result is the same, and in neither situation is there any variation in the underlying assets owned by the Trust, we believe that the formal mechanism by which the Trust's interests are transferred to the Holders should not affect the tax consequences of the underlying transaction.

This analysis is consistent with the IRS statement in the Revenue Ruling that its conclusions would have been the same regardless of whether the trust property (Blackacre) had been sold directly to Party A, and then contributed to the trust or, as in the facts in the Revenue Ruling, contributed to the trust followed by a sale of an interest in the trust to Party A. Under these circumstances no multiple classes of ownership interests in the Trust should exist.

5.6 Holders Treated as "Grantors" of the Trust. A "grantor" of a trust includes any person to the extent such person either creates a trust or directly or indirectly makes a gratuitous transfer of property, including cash, to a trust.²⁶ A gratuitous transfer to a trust includes a transfer of cash to the trust in exchange solely for an interest in the trust.²⁷ The term "grantor" also includes any person who acquires an interest in a trust from a "grantor" of the trust if the interest acquired is an interest in an investment trust that is treated as a trust.²⁸ The Revenue Ruling also considered whether the purchase of interests in the trust arrangement by Party B and Party C would be treated as an acquisition of interests in Blackacre which was owned by the trust. The IRS concluded that Party B and Party C should be treated as grantors of the trust when they acquired their interests in the trust from Party A, who had formed the trust.

Similar to the Revenue Ruling, the Holders should be treated as "grantors" of the Trust. The Holders will transfer cash to the Trust in exchange solely for an Interest therein. Because receiving an Interest in the Trust is not treated as the receipt of property, the Holders should be treated as making a gratuitous transfer to the Trust. Thus, the Holders should be treated as "grantors" of the Trust.

5.7 Holders Treated as Owning an Undivided Interest in the Project. A "grantor" that is treated as the owner of an undivided fractional interest of the assets in a trust under the provisions of subchapter J of the Code is considered to own the trust asset attributable to that undivided fractional interest

²⁵ Treas. Reg. § 301.7701-4(c).

²⁶ Treas. Reg. § 1.671-2(e)(1).

²⁷ Treas. Reg. § 1.671-2(e)(2).

²⁸ Treas. Reg. § 1.671-2(e)(3).

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of the trust for all federal income tax purposes.²⁹ A grantor is treated as the owner of any portion of a trust whose income, without the approval or consent of any adverse party is, or in the discretion of the grantor or a non-adverse party, or both, may be distributed to the grantor or held or accumulated for future distribution to the grantor.³⁰

In the Revenue Ruling, the IRS concluded that, because Party B and Party C had the right to distributions of all the income of the trust attributable to their undivided fractional interests, they should be treated under Code Section 677 as the owners of an aliquot portion of the trust, and all income, deductions and credits attributable to that portion were includible by Party B and Party C in computing their taxable income. Because the owner of an undivided fractional interest of a trust is considered to own the trust assets attributable to that interest for federal income tax purposes, the IRS treated Party B and Party C as each owning an undivided fractional interest in Blackacre for federal income tax purposes.³¹

Several of the rights accorded under the Trust Agreement to the Holders as “grantors” should result in the Holders being treated as owning a direct interest in the Project. The Holders have the right to the distribution of all income received by the Trust without the approval, consent, or exercise of discretion by any person. Additionally, the Holders have a total reversionary interest in the assets of the Trust. These rights of the Holders as grantors should result in the Holders being treated as owning a direct interest in the Trust’s assets for federal income tax purposes.

5.8 Treatment as Real Estate.

5.8.1 Other Securities. The provisions of Code Section 1031 do not apply to “(B) stocks, bonds or notes, (C) other securities or evidences of indebtedness or interest.” This phrase has not been defined precisely; the exact connotation associated with the term “other securities” is not clear.³² The exclusion in Code Section 1031 for “other securities” was added to preclude brokers, investment houses and bond houses from arranging tax-free exchanges of appreciated securities.³³ There are other Sections of the Code that define “securities” under the Code including Code Sections 165(g) and 1236(c). These Sections of the Code have narrow definitions of the term “securities.” However, it is not clear whether the definitions in these Sections of the Code apply, or whether a broader view should be taken.³⁴ In G.C.M. 35242,³⁵ the IRS indicated, after discussing the definition of “securities” in Code Sections 165(g)(2) and 1236(c), that “we believe it persuasive that Congress has consistently defined the term ‘securities’ in a limited sense.” The IRS thus concluded in G.C.M. 35242 that they did not believe whiskey warehouse receipts were “securities” under Code Section 1031. This occurred even though the Securities and Exchange Commission believed they were securities under securities law.³⁶ Further, in *Plow*

²⁹ See Rev. Rul. 88-103, 1988-2 C.B. 304; Rev. Rul. 85-45, 1985-1 C.B. 183; Rev. Rul. 85-13, 1985-1 C.B. 184; see also Treas. Reg. § 1.1001-2(c), Example 5.

³⁰ I.R.C. § 677(a). For purposes of this provision, a trustee who lacks an economic interest in the assets of a trust is not an adverse party. See Treas. Reg. § 1.672(a)-1(a).

³¹ See Rev. Rul. 88-103, 1988-2 C.B. 304; Rev. Rul. 70-376, 1970-2 C.B. 164 (purchase by grantor or grantor trust did not effect 1033 exchange).

³² *Levine*, 567 T.M.2nd, Tax Free Exchanges Under Section 1031.

³³ S. Rep. 1113, 67th cong. (1923), 1939-1 (Part -2) C.B. 845-46 (adopting H. Rep. No. 1432, 67th Cong.).

³⁴ G.C.M. 34089 (Apr. 2, 1969) (the IRS initially proposed a broad view).

³⁵ G.C.M. 35242 (Feb. 16, 1973).

³⁶ G.C.M. 35242 (Feb. 16, 1973); see also G.C.M. 34500 (May 17, 1971) (IRS concluded that the changes of successfully maintaining that whiskey warehouse receipts are securities under Code Section 1031 are not

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Realty Co. of Texas,³⁷ mineral deeds were not securities under the predecessor to Code Section 543 even though they were securities under applicable securities law. Consequently, if these provisions are applied, an Interest should not be considered a security under the tax law definition of security even though an Interest will be a “security” under applicable federal and state securities laws.

5.8.2 Certificate of Trust or Beneficial Interest. The nonrecognition rules of Code Section 1031 do not apply to an exchange of real property for a certificate of trust or beneficial interest.³⁸ The Revenue Ruling stated:

Because the owner of an undivided fractional interest of a trust is considered to own the trust assets attributable to that interest for federal income tax purposes, B and C are each considered to own an undivided fractional interest in Blackacre for federal income tax purposes. See Rev. Rul. 85-13.

Accordingly, the exchange of real property by B and C for an interest in DST through a qualified intermediary is the exchange of real property for an interest in Blackacre, and not the exchange of real property for a certificate of trust or beneficial interest under § 1031(a)(2)(E).³⁹

Consequently, provided a Holder meets the other requirements of Code Section 1031, such Holder’s exchange of real property in exchange for the Interests in the Trust should not be considered an exchange for a certificate of trust or beneficial interest for purposes of Code Section 1031.

5.9 Rent Accrual Under the Master Lease. Code Section 467 provides that the lessor under a Code Section 467 rental agreement must include in such lessor’s income the amount of rent which accrues during the taxable year. Generally, such rent will be accrued as set forth in the lease agreement between the lessor and lessee. Thus, the Trust would accrue income from rent as set forth in the Master Lease. In the event that a lease arrangement is determined to be a tax avoidance transaction requiring treatment as a disqualified leaseback under Code Section 467, rent will be accrued on a constant accrual basis rather than accruing as set forth in the lease agreement. In determining whether a lease arrangement is a tax avoidance transaction, the IRS has established certain safe harbor tests. If a safe harbor test is met, rent is not accrued under the constant accrual basis. The Master Lease is intended to satisfy a safe harbor test. However, if the IRS makes a determination that the safe harbor is not met, that the lease arrangement is a disqualified leaseback and provides notice of such determination, the Trust will be required to accrue rent on a constant accrual basis. The IRS has not made such a determination nor provided notice with respect to the Master Lease.

5.10 Taxable Boot. Amounts used to establish reserves or other items that are not attributable to the purchase of real estate will not be treated as an interest in real estate and will be treated as “boot” which may be taxable to a Holder acquiring its Interest as replacement property for real property in an exchange under Code Section 1031. The reserves of the Trust are approximately \$158.72 per Interest.

favorable even though the Securities and Exchange Committee issued a release that indicated that whiskey warehouse receipts may be securities under applicable securities law).

³⁷ *Plow Realty Co. of Texas v. Commissioner*, 4 T.C. 600 (1945).

³⁸ I.R.C. § 1031(a)(2)(E).

³⁹ Rev. Rul. 2004-86, 2004-2 C.B. 191.

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Of this amount \$141.67 is attributable to reserves funded by the Depositor, and will be treated as “boot” which may be taxable. In addition, \$17.05 is attributable to reserves funded from Loan proceeds as a requirement of the Loan. It is possible that such amount, if sufficient additional Loan funds are allocated to the Holders in excess of the indebtedness of a Holder’s prior investment, may not be treated as “boot.” Further, the IRS could take the position that the increase in the purchase price of the Interests paid by the Holders, which includes loan fees and costs, over the cost to the Depositor would not be considered as an interest in real estate and may be treated as “boot” which may be taxable. In addition, to the extent that the portion of the debt allocated with the purchase of an Interest is less than the Holder’s debt on the property exchanged, such difference will constitute “boot” and may be taxable depending on the Holder’s basis in the property exchanged. The Tax Cuts and Jobs Act eliminated the ability to enter into like-kind exchanges under Code Section 1031 for any asset other than real estate. Consequently, Code Section 1031 will not apply, and such amounts will be treated as “boot,” to the extent a Holder is disposing of property that does not qualify as real estate or to the extent the Project consists of property other than real estate. The Trust acquired certain personal property in connection with the purchase of the Project. The Trust Manager has not valued such personal property. In the event any item is determined to be “boot,” the taxpayer will have current income for any such “boot” up to the amount of gain on the exchange of the real property. No opinion is being provided with respect to the amount of taxable “boot” in the transaction.

6. Opinion. Based on our review of the Transaction Documents, it is our opinion that (i) after the effective date of the Conversion Notice, the Trust should be treated as an investment trust described in Treasury Regulations Section 301.7701-4(c)(1), that is classified as a “trust” for federal income tax purposes and (ii) the Holders should be treated as owning an undivided beneficial interest in the Trust’s assets, including the Project, in proportion to their Interests for purposes of Code Section 1031. In addition, we have reviewed the discussions of the Code, Treasury Regulations, rulings and case law set forth under the heading “Federal Income Tax Consequences” in the Memorandum. In our opinion, the discussion of the law contained in such section, including the conclusions, interpretations and statements as to the likely outcome on the merits of the tax issues set forth therein, is accurate in all material respects insofar as it relates to the Trust, subject to the qualifications set forth therein.

Our opinion does not address, and should not be viewed as expressing any opinion concerning, whether the acquisition of an Interest will, in light of the facts and circumstances applicable to a specific Holder, constitute a purchase of like-kind replacement property that qualifies for non-recognition of gain under Code Section 1031. Furthermore, our opinion does not address, and should not be viewed as expressing any opinion concerning, whether the Project acquired by the Trust is being held for investment or primarily for sale. In the event the Project is considered as held primarily for sale, the Project will not qualify as replacement property under Code Section 1031.

No opinion is being rendered on state income taxes or other taxes that may be imposed on the Trust, state income treatment of an Interest or other state income tax consequences to Holders arising from the ownership of an Interest.

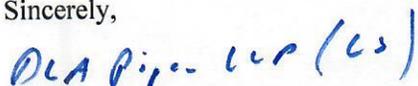
7. Qualifications. This opinion relates solely to federal income tax law in effect on the date hereof. We express no opinion with respect to laws becoming effective after the date hereof or the effect or applicability of the laws of other jurisdictions. There can be no assurance that legislative changes may not significantly alter the statutory basis for this opinion. We express no opinion on any matters other than those expressly set forth herein, and no opinion should be inferred as to any other matters. This opinion relates only to matters as of the date hereof, and we express no opinion with respect to any transaction,

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transfer, conveyance, obligation or performance occurring after the date hereof. This opinion does not apply to the individual tax consequences of a Holder and application of the Code Section 1031 rules to the Holder. Each Holder should consult with its own tax advisor. Further, this opinion is based on the documents attached hereto and does not reflect any changes that may be required by any lender.

This opinion is solely for your information and assistance with respect to the sale of the Interests. Accordingly, the Trust may only circulate this opinion in connection with the sale of the Interests to potential Holders. This opinion may be relied upon by Holders in connection with their purchase of Interests, but may not be relied upon, circulated, quoted or otherwise referred to by other persons in connection with any other transaction or arrangement, including with respect to any subsequent sale of the Interests by the Holders. Further, each potential Holder understands that each Holder will be responsible for such Holder's individual circumstances and only the opinion set forth herein may be relied upon by a Holder. Each potential Holder is encouraged to review the entire contents of the Memorandum including, but not limited to, this opinion with its tax advisor in determining whether to purchase an Interest. This opinion may not be relied upon by any other person or for any other purposes, nor may it be quoted from or referred to or copies delivered to any other person without prior written consent. No opinion is rendered as to whether this opinion may be used to avoid tax penalties and if it is used, whether a taxpayer will be successful in avoiding any penalties. This opinion is not applicable as to any individual tax consequences of a Holder or the individual application of the Code Section 1031 rules to such Holder. Our willingness to render the opinion set forth herein neither implies, nor should be viewed as implying, any approval or recommendation of an investment in the Project.

Sincerely,



DLA Piper LLP (US)

CERTIFICATE

See attached

SECURITIES & TAX CERTIFICATE

The undersigned, for the purpose of stating certain facts upon which DLA Piper LLP (US) (“DLA”) may rely in rendering its opinions (the “Opinion”) and in connection with the preparation of the Confidential Private Placement Memorandum for Class A Beneficial Interests in The Maywood Apartments dated February 1, 2022, as amended or supplemented (the “Memorandum”), and the offer and sale of Class A beneficial interests (the “Interests”) in The Maywood Apartments, a Delaware statutory trust (the “Trust”), hereby certify, warrant and represent as follows:¹

1. I am the Chief Executive Officer, President and Manager of CORE Pacific Advisors, LLC (the “Sponsor”) which is the sole member of (i) CP Maywood Apartments Manager, LLC (the “Trust Manager”), (ii) CP Maywood Depositor, LLC (the “Depositor”) and (iii) CP Maywood Apartments MT, LLC (the “Master Tenant”). The Trust Manager is the manager of the Trust. The Sponsor, the Trust Manager, the Depositor and the Master Tenant shall be referred to as the “Sponsor Entities.” I have carefully reviewed the contents of this Certificate and DLA may rely on this Certificate in rendering the Opinion and in preparing the Memorandum. I am familiar with the Sponsor Entities and the particular matters set forth in the Memorandum and in this Certificate. I have made or caused to be made such investigations as are necessary in order to permit me to verify the accuracy of the information set forth in this Certificate and the Memorandum.
2. I have carefully reviewed the Memorandum and its contents are true and correct in all respects and do not contain any untrue statements of fact. The Memorandum does not omit information that would be necessary to a complete understanding of the economic, tax and other consequences and risks of an investment in an Interest and a complete understanding of all transactions described therein and all related transactions, nor does the Memorandum omit information that an investor might consider important in making a decision to invest. The Memorandum does not contain any untrue statement of fact required to be stated therein in order to make the statements therein not misleading. The Memorandum accurately and completely sets forth the material financial aspects of an investment in the Interests.
3. The Sponsor Entities have provided, or have caused to be provided, to DLA copies of all contracts, agreements, summaries, financial information, projections, other documents and information related to the Sponsor Entities and the Project. All such contracts, agreements, summaries, financial information, projections and other documents and information are true and correct copies of the originals and do not omit any material fact or contain any untrue statement and no material modifications have been made to them, and it is not anticipated that any such material changes will take place before the transactions contemplated by the Memorandum are consummated and to the extent this occurs and becomes available to any of the Sponsor Entities, such Sponsor Entity shall promptly forward such information to DLA.
4. There are no agreements, documents, or instruments by which the Trust, its property, any party to the Amended and Restated Trust Agreement of the Trust (the “Amended and Restated Trust Agreement”) or any of their Affiliates is bound or to which any of them or any of their properties is subject that (i) is not disclosed in the Memorandum and that would be material to an investment in Interests or (ii) would affect the authority or ability of the Sponsor Entities to execute, deliver and perform any of the documents or instruments to be executed and delivered as contemplated in the Memorandum.

¹ Capitalized terms used, but not defined herein, have the meanings assigned to them in the Memorandum.

5. The Offering is being conducted pursuant to Rule 506(b) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"). The Sponsor Entities hereby represent that each is familiar with Rule 506(b), including the prohibition on general solicitation, and that none of the Sponsor Entities nor any of their Affiliates have engaged in general solicitation for this Offering.
6. If at any time any event shall occur as a result of which it becomes necessary to amend or supplement the Memorandum so that it does not include any untrue statement of any material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances, not misleading, the Sponsor Entities or one of their Affiliates will promptly notify DLA and will promptly make such amendments or complete such supplements correcting such statement or omission in the Memorandum.
7. There are no facts or circumstances existing at this time which will prevent the transactions contemplated by the Memorandum from being carried out as described in the Memorandum.
8. The Trust was formed on November 22, 2021 and a true and correct copy of the fully-executed original Trust Agreement of the Trust dated November 22, 2021 (the "Trust Agreement"), has been delivered to DLA.
9. The Trust Agreement was amended by the Amended and Restated Trust Agreement of the Trust dated as of December 30, 2021, a copy of which is attached to the Memorandum, and the Trust will operate pursuant to the Amended and Restated Trust Agreement. The Amended and Restated Trust Agreement has not been amended, modified, abridged or terminated in any way and is in full force and effect.
10. I am not aware of any liability, absolute or contingent, and whether or not accrued, of any of the Sponsor Entities or their Affiliates that would or could materially adversely affect the operations of the Trust or the Project.
11. Other than litigation as to which an adverse result would not, in my opinion, materially adversely affect any of the Sponsor Entities, there is no pending or, to the best of my knowledge, threatened litigation involving any of the Sponsor Entities or any of their Affiliates or principals, other than litigation (such as unlawful detainer actions) in the ordinary course of business.
12. I know of no reason why it would be necessary for the Springing LLC (as defined in the Amended and Restated Trust Agreement) to be effectuated, and I do not believe that there is any significant likelihood that such an event will occur.
13. None of the Sponsor Entities are in violation of any law, ordinance, administrative or governmental rule or regulation applicable to the Sponsor Entities and the execution, delivery, performance and compliance with the terms of the Amended and Restated Trust Agreement by the Sponsor Entities do not and will not violate any provision of any applicable federal, state or local law, rule or regulation. The Sponsor Entities will comply with the restrictions in the Amended and Restated Trust Agreement regarding the limitations on the transfer and repurchase of Interests.
14. The execution and delivery of the Amended and Restated Trust Agreement and related Trust documents have been authorized and approved.
15. The Trust Manager has at all times complied with the terms of the Amended and Restated Trust Agreement.

16. There will be no more than 480 Holders.
17. The Sponsor Entities do not believe that the purchase price of the Project exceeds its fair market value, nor do they believe that the price to be paid by Holders exceeds the fair market value of the Interests.
18. The various items of compensation described in the Memorandum to be paid to the Sponsor Entities or their Affiliates are reasonable in amount in light of the services actually rendered or to be rendered to or on behalf of the Trust, the time, effort, expense and investment in human capital, facilities and other resources associated with providing the services, and the standards of compensation for similar services rendered under similar circumstances, including in the real estate industry in general.
19. The determination of any fees paid by the Trust will not depend, in whole or in part, on the income or profits derived by any person from the Project and will not exceed the fair market value of the services provided in exchange therefor.
20. At least 90% of the value of the Project is attributable to real estate and no more than 10% is attributable to personal property.
21. The activities of the Trust with respect to the Trust Estate will be limited to activities that are customary services in connection with the maintenance and repair of the Project.
22. The Trust will conduct no business other than as specifically set forth in Sections 2.3 and 3.2 of the Amended and Restated Trust Agreement.
23. The Trust does not intend to form a joint venture or a partnership with the Master Tenant.
24. The Master Tenant will comply with the terms of the Master Lease.
25. The Master Tenant is not acting as an agent of the Trust, any of the other Sponsor Entities or the Holders.
26. All leases, including the Master Lease and any subleases, will be bona fide leases for federal income tax purposes. Rents paid by the Master Tenant will be within the fair market value for use of the Project and rent will not depend on the income or profits derived by any person from the Project or otherwise (other than an amount based on a fixed percentage of receipts or sales).
27. There is no power held by the Trust under the Amended and Restated Trust Agreement or the Master Lease to vary the investment of the Holders, including performing any of the following actions:
 - (a) Dispose of the Project and acquire new property;
 - (b) Renegotiate the Master Lease with the Master Tenant, or enter into leases with a party other than the Master Tenant (except in the case of the Master Tenant's bankruptcy or insolvency);
 - (c) Renegotiate or refinance any loan (except in the case of the Master Tenant's bankruptcy or insolvency);
 - (d) Invest cash received to profit from market fluctuations; or

- (e) Make more than minor nonstructural modifications to the Project that are not required by law.
28. The Master Lease terms, considering the lease and all surrounding circumstances, conform with normal business practice and the Master Lease is not designed as a means of basing rent on income or profits of the Project.
 29. The Master Tenant is adequately capitalized considering its obligations, including, but not limited to, those under the Master Lease.
 30. The tenant improvement allowance paid by the Trust to the Master Tenant will only be used for repairs, maintenance and replacements at the Project and will not be used for anything that would constitute more than a minor nonstructural modification to the Project.
 31. We have reviewed the provisions in the loan documents and we believe that the Trust's lender will not retain any of the Master Tenant's funds in excess of the amounts due under the Master Lease.
 32. The Sponsor Entities acknowledge that the loan obtained by the Trust includes certain provisions that allow the lender under such loan to access the Master Tenant's assets, including cash from operations at the Project which is held in a lockbox under the control of such lender. The Agreement for Reserve provides that the Trust will indemnify the Master Tenant for any amounts retained by the Trust's lender in excess of the Master Tenant's obligations under the Master Lease. In addition, the Agreement for Reserve requires the Trust to spring into a limited liability company if at any time it is anticipated that the lender will retain amounts in excess of the \$35,000 reimbursement reserve established by the Trust pursuant to the Agreement for Reserve. The Amended and Restated Trust Agreement requires that the Trust spring to a limited liability company and the Master Lease be terminated upon certain events related to the lender's right to retain the Master Tenant's assets including, but not limited to, a Master Lease Termination Event. The Sponsor Entities will take any and all actions necessary to ensure that neither the Trust nor the lender retain any Master Tenant funds in excess of the Master Tenant's obligations under the Master Lease.
 33. The Sponsor Entities acknowledge that the following constitute "Covered Persons" under Rule 506(d) of Regulation D: (i) the Trust; (ii) any predecessor of the Trust; (iii) any affiliated issuer of the Trust; (iv) any director, executive officer, other officer participating in the Offering, general partner or managing member of the Trust; (v) any beneficial owner of 20% or more of the Trust's outstanding voting equity securities, calculated on the basis of voting power; (vi) any promoter connected with the Trust in any capacity at the time of the sale of the Interests; (vii) any person associated with the Trust that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Interests; (viii) any general partner or managing member of any such solicitor associated with the Trust; and (ix) any director, executive officer or other officer participating in the Offering of any such solicitor or general partner or managing member of such solicitor.
 34. The Sponsor Entities each hereby represent and warrant that none of the Covered Persons, as of the date hereof and at the time of the sale of the Interests (each, an "Effective Date"):
 - (a) Has been convicted, within 10 years of any Effective Date of any felony or misdemeanor that was:
 - (i) In connection with the purchase or sale of any security;

- (ii) Involving the making of any false filing with the Securities and Exchange Commission (the “SEC”); or
 - (iii) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities.
- (b) Is subject to any order, judgment or decree of any court of competent jurisdiction, entered within 5 years before any Effective Date that, as of such Effective Date, restrains or enjoins such person from engaging or continuing in any conduct or practice:
 - (i) In connection with the purchase or sale of any security;
 - (ii) Involving the making of any false filing with the SEC; or
 - (iii) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities.
- (c) Is subject to a final order of a state securities commission (or an agency or officer of a state performing like functions), a state authority that supervises or examines banks, savings associations or credit unions, a state insurance commission (or an agency or officer of a state performing like functions), an appropriate federal banking agency, the U.S. Commodity Futures Trading Commission or the National Credit Union Administration that:
 - (i) As of any Effective Date, bars the person from:
 - (A) Association with an entity regulated by such commission, authority, agency or officer;
 - (B) Engaging in the business of securities, insurance or banking; or
 - (C) Engaging in savings association or credit union activities.
 - (ii) Constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative or deceptive conduct entered within 10 years before any Effective Date.
- (d) Is subject to an order of the SEC pursuant to sections 15(b) or 15B(c) of the Securities Exchange Act of 1934 (the “Exchange Act”) or section 203(e) or (f) of the Investment Advisers Act of 1940 (the “Investment Advisers Act”) that, as of any Effective Date:
 - (i) Suspends or revokes such person’s registration as a broker, dealer, municipal securities dealer or investment advisor;
 - (ii) Places limitations on the activities, functions or operations of such person; or
 - (iii) Bars such person from being associated with any entity or from participating in the offering of any penny stock.

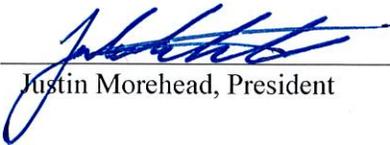
- (e) Is subject to any order of the SEC entered within 5 years before any Effective Date that, as of such Effective Date, orders the person to cease and desist from committing or causing a violation or future violation of:
 - (i) Any scienter-based anti-fraud provisions of the federal securities laws including, without limitation, section 17(a)(1) of the Securities Act, section 10(b) of the Exchange Act and 17 CFR 240.10b-5, section 15(c)(1) of the Exchange Act and section 206(1) of the Investment Advisers Act, or any other rule or regulation thereunder; or
 - (ii) Section 5 of the Securities Act.
 - (f) Is suspended or expelled from membership in, or suspended or barred from association with, a member of a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade.
 - (g) Has filed (as a registrant or issuer), or was or was named as an underwriter in, any registration statement or Regulation A offering statement filed with the SEC that, within 5 years of any Effective Date, was the subject of a refusal order, stop order or order suspending the Regulation A exemption or, is, as of any Effective Date, the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued.
 - (h) Is subject to a United States Postal Service false representation order entered within 5 years before any Effective Date, or is, as of any Effective Date, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations.
35. All transactions described in the Memorandum have been and are hereby ratified, approved and authorized by the Sponsor Entities to the extent that the Sponsor Entities are party to any of such transactions or have the authority, directly or indirectly, to cause any party to any of such transactions to participate or refuse to participate in any or all of such transactions and to agree upon the terms thereof.
36. Except as otherwise stated, the representations and warranties made herein are made as of the date hereof and shall be continuing representations and warranties. In the event that any Sponsor Entity becomes aware that any of these representations or warranties becomes untrue or is incorrect, it shall promptly notify DLA in writing of the fact which makes such representation or warranty untrue or incorrect.

I understand that you are relying on the truth and accuracy of the foregoing in connection with the issuance of the Opinion and preparation of the Memorandum. I have made or caused to be made such inquiry and investigations as are necessary in order to permit me to verify the accuracy of the information set forth in this Certificate. This Certificate is provided at your request and solely for use in connection with your issuance of the Opinion and preparation of the Memorandum. This Certificate may not be relied upon by any other person.

IN WITNESS WHEREOF, this Certificate is executed effective as of the date of the Memorandum.

DEPOSITOR:

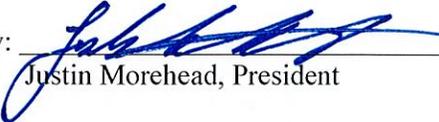
CP Maywood Depositor, LLC, a Delaware limited liability company

By: 
Justin Morehead, President

TRUST:

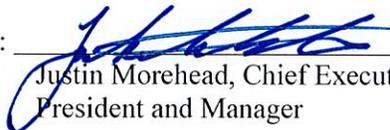
The Maywood Apartments, a Delaware statutory trust

By: CP Maywood Apartments Manager, LLC, a Delaware limited liability company, its manager

By: 
Justin Morehead, President

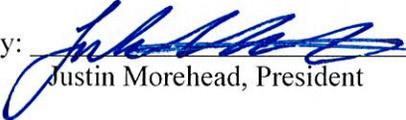
SPONSOR:

CORE Pacific Advisors, LLC, a Delaware limited liability company

By: 
Justin Morehead, Chief Executive Officer, President and Manager

MANAGER:

CP Maywood Apartments Manager, LLC, a Delaware limited liability company

By: 
Justin Morehead, President

MASTER TENANT:

CP Maywood Apartments MT, LLC, a Delaware limited liability company

By: 
Justin Morehead, President

EXHIBIT G

UNAUDITED RESULTS OF THE OPERATIONS FOR THE PROJECT

Maywood Apartments (maywood)

Statement (12 months)

Period = Jan 2022

Book = Accrual ; Tree = ysi_is

	Jan 2022
Loss/Gain to Lease	379,043.00
POTENTIAL RENT	379,043.00
Less: Vacancy	-5,099.90
Less: Employee Unit	-1,428.71
Rent	0.00
TOTAL RENTAL ADJUSTMENTS	-6,528.61
NET RENTAL INCOME	372,514.39
OTHER INCOME	
Application Fees	1,525.00
Move Out Charges	720.00
Lease Cancellation Fees	3,060.00
Lease Lock	527.29
Miscellaneous Income	809.33
NSF Fee	150.00
Valet Living Trash Service	9,470.33
Resident Utility Reimbursement	7,773.55
Tenant Parking	338.71
Storage	47.42
Garage Rental	375.00
Pet Fee NonRefundable	400.00
MoveIn Fee Non Refundable	50.00
Furniture Rental	480.00
TOTAL OTHER INCOME	25,726.63
TOTAL INCOME	398,241.02
EXPENSES	
UTILITIES	
Electricity	2,595.79
Electricity - Vacants	1,270.29
TOTAL UTILITIES	3,866.08
CONTRACT SERVICES	
Security Alarm Monitoring	39.99
Janitorial Contract	1,085.00
Trash Collection Contract	2,856.69
Cable Service	2,485.44
TOTAL CONTRACT SERVICES	6,467.12
ADMINISTRATIVE	
Computer Main & Supplies	7,737.93
Postage	395.44
Credit Check Expense	44.50
Professional Fees	164.50
License/Permits	267.00
Travel/Mileage Reimbursement	12,505.50
Office Equipment Rental	219.52
Bank Charges	733.22
Training/Education	74.75
Telephone	2,165.46
Misc. Admin. Expense	1,232.65
TOTAL ADMINISTRATIVE	25,540.47
MARKETING EXPENSE	

Maywood Apartments (maywood)

Statement (12 months)

Period = Jan 2022

Book = Accrual ; Tree = ysi_is

	Jan 2022
Web Advertising	2,123.08
Resident Functions	62.30
Marketing & Advertising	396.00
TOTAL MARKETING	2,581.38
PAYROLL EXPENSE	
PEO pass-thru labor	13,701.06
PEO fees & costs	316.77
TOTAL PAYROLL	14,017.83
PROFESSIONAL MGMT FEES	
Property Management Fee	8,599.52
TOTAL PROFESSIONAL MGMT FEES	8,599.52
TOTAL EXPENSES	61,072.40
NET OPERATING INCOME	337,168.62
FINANCIAL EXPENSES	
Master Rent to DST	289619.33
Entity Filing Fees	1,184.26
TOTAL FINANCIAL EXPENSES	290,803.59
NET INCOME	46,365.03