

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**SRRT 4200 INDUSTRIAL DST****Beneficial Interests****Maximum Offering Amount: \$12,471,000****Minimum Investment: \$500,000**

SRRT 4200 INDUSTRIAL DST, a Delaware statutory trust (the “Trust”), is offering for sale (the “Offering”), to accredited investors (“Investors”), up to one hundred percent (100%) of the beneficial interests (the “Interests”) in the Trust pursuant to this Confidential Private Placement Memorandum (including the exhibits attached hereto, and the Investor Data Room, the “Memorandum”). This Offering is being sponsored by SRRT Properties, LP, a Delaware limited partnership (the “Initial Beneficiary”), and an Affiliate of SR Realty Trust, Inc., a private real estate investment trust. The terms of the Trust are governed by the trust agreement of the Trust (the “Trust Agreement”). SR DST Trustee, LLC, a Minnesota limited liability company, is the Trust’s “Signatory Trustee,” and has the authority to act on behalf of the Trust and is responsible for the operation of the Trust. See “SUMMARY OF THE TRUST AGREEMENT.”

On or about March 6, 2024, the Initial Beneficiary originally acquired the real property located at 4200 South 121st Plaza, Omaha, NE, 68137 (the “Property”) from an unrelated third-party party seller for \$22,800,000. The Property was acquired indirectly by the Initial Beneficiary through a wholly-owned subsidiary, SRRT 4200 Industrial, LLC, a Minnesota limited liability company (“Owner”). Subsequently, on or about October 1, 2024, the Trust acquired the Property from the Initial Beneficiary, pursuant to a contribution transaction, for a total contributed value of \$24,000,000 (the “Contributed Value”). The Initial Beneficiary contributed all of its limited liability company interests in the Owner to the Trust, in return for 100% of the Interests. Accordingly, the Initial Beneficiary is the sole beneficiary of the Trust, and the Trust is the sole member of Owner, as of the date of this Memorandum. See “ACQUISITION AND FINANCING TERMS” for a summary of the terms of the acquisition.

Concurrent with becoming the sole member of Owner, the Trust assumed the existing third-party indebtedness secured by the Property in the principal amount of \$12,960,000 (the “Loan”) from Cobalt Credit Union (the “Lender”). The Loan has a term of approximately five (5) years from the date of the original acquisition of the Property. The interest rate on the loan is fixed at 6.88% and the Owner is required to make monthly, interest only payments for the first thirty (30) months of the Loan term. Although the Loan is nonrecourse to the Investors, the Initial Beneficiary has provided a carve out guaranty in connection with the Loan. See “ACQUISITION AND FINANCING TERMS” for a summary of the terms of the acquisition.

The Property is an industrial building containing approximately 409,500 rentable square feet. The Property is currently 100% leased to a single tenant, Graphic Packaging International, LLC (the “Tenant”). The lease pursuant to which the Tenant currently occupies the premises is referred to as the “Lease.” See “DESCRIPTION OF TENANT – Rent Roll” for a summary of the rent roll for the Property.

The total cost to Investors of investing in Interests is approximately \$25,431,000, which consists of (i) the \$12,471,000 of Interests being sold pursuant to this Offering (the “Maximum Offering Amount”), which includes an initial reserve of \$330,000, as well as fees and expenses payable to the Initial Beneficiary, its Affiliates, and third parties in connection with the acquisition of the Property, closing the Loan, and the Offering of Interests, and (ii) the \$12,960,000 principal amount of Loan being assumed by the Trust. See “ACQUISITION AND FINANCING TERMS” and “ESTIMATED USE OF PROCEEDS.”

Concurrent with the contribution by the Initial Beneficiary, Owner entered into a master lease for the Property with 4200 Industrial Master Tenant, LLC, a Minnesota limited liability company (the “Master Tenant”), a copy of which is uploaded to the Investor Data Room (the “Master Lease”). Capitalized terms relating to the Master Lease that are not defined in this Memorandum are defined in the Master Lease. The Master Lease will terminate upon, the earlier to occur of, the sale of the Property, or ten (10) years from the commencement date thereof. The annual rent (“Rent”) payable by the Master Tenant to the Trust will initially be equal to \$1,700,000, and will increase by 1% per annum. All Rent will be paid in arrears in twelve equal monthly installments by the Master Tenant to the Owner, or its designee. The Master Tenant is wholly-owned by the Initial Beneficiary. See “SUMMARY OF THE MASTER LEASE” and “COMPENSATION OF THE INITIAL BENEFICIARY, MASTER TENANT, SIGNATORY TRUSTEE AND AFFILIATES.”

The Initial Beneficiary holds an exclusive option (the “FMV Option”) pursuant to the Trust Agreement, exercisable at any time (and from time to time) after two (2) years from the earlier of (i) the date on which all \$12,471,000 of the Interests offered hereby are sold, or (ii) the date on which the offering expires or is terminated. The FMV Option grants the Initial Beneficiary, or its successor or assignee, the right to make an offer to exchange each Investor’s Interests in the Trust for an equivalent value of partnership units of the Initial Beneficiary (the “Unit Exchange”). If the Initial Beneficiary, or its successor or assignee, elects to make an offer pursuant to the FMV Option, then each Investor shall be required to indicate whether or not such Investor consents to the Unit Exchange. If less than

all of the Investors consent to the Unit Exchange, then the Initial Beneficiary shall have the right (i) to rescind the offer as it relates to all Investors; or (ii) to rescind the offer only as it relates to those Investors that did not consent to the Unit Exchange, and to consummate the Unit Exchange with each of the remaining Investors. With respect to any non-consenting Investors, the Initial Beneficiary reserves the right to, in its sole discretion, consummate a cash buy-out of each such Investor's Interest. Notwithstanding anything in this Memorandum or in the Trust Agreement to the contrary, the Initial Beneficiary shall have no obligation make an offer pursuant to the FMV Option, or to purchase any Interests for cash. See "SUMMARY OF THE TRUST AGREEMENT."

The Interests offered hereby are highly speculative. An investment in the Interests involves substantial risks. Investors must read and carefully consider the discussion set forth under “Risk Factors” for a complete discussion of risks. Risks of an investment in Interests include, among other things, the following:

- reliance on the Tenant to pay rent under the Lease;
- complete reliance on the Master Tenant to pay the Rent and operate the Property pursuant to and in accordance with the terms of the Master Lease;
- limited control over the operation of the Property;
- lack of liquidity;
- the holding of a beneficial interest in the Trust with no voting rights;
- the long-term nature of the Master Lease;
- limited diversity of investment;
- various conflicts of interest among the Initial Beneficiary, the Master Tenant, the Trust, and their respective Affiliates;
- various risks associated with ownership of real estate generally and specifically with ownership of real estate in Omaha, Nebraska;
- certain tax risks.

The minimum purchase price for an investment in Interests is \$500,000 in cash equity, which is equal to an approximate 4.0% Interest (the “Minimum Investment”) in the Trust. See “HOW TO PURCHASE” and “SUMMARY OF THE PURCHASE AGREEMENT.” In connection with an Investor’s purchase of Interests, such Investor will be allocated a pro rata percentage of the Loan in proportion to such Investor’s Interests. In connection with the purchase of Interests, each Investor will execute and deliver such documents as may be required by the Trust. **The securities offered pursuant to this Memorandum have not been approved or disapproved by the U.S. Securities and Exchange Commission (“SEC”) or the securities regulatory authority of any state, nor has the SEC or any securities regulatory authority of any state passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense. The securities offered pursuant to this Memorandum 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 “Act”) and applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.**

	Price to Investors ⁽¹⁾	Selling Commissions & Marketing Allowance ⁽¹⁾⁽²⁾	Proceeds to Trust ⁽³⁾
Minimum Investment ⁽³⁾⁽⁵⁾	\$500,000	\$0	\$500,000
Maximum Offering ⁽³⁾⁽⁴⁾	\$12,471,000	\$0	\$12,471,000

- (1) Offers and sales of Interests will be made on a “best efforts” basis by the Trust and its Affiliates. The Trust intends to sell the Interests primarily directly to Investors, and also to those Investors whose purchases are directed by a Registered Investment Advisor (an “Investment Advisor”). While the Trust has the right to, and may, engage Broker-Dealers, as described below, the estimates above are reflective of the Trust NOT engaging Broker-Dealers. Use of Broker-Dealers will have the effect of reducing the proceeds to the Trust.
- (2) The Trust, in its sole discretion, may engage Broker-Dealers which are members of the Financial Industry Regulatory Authority, Inc. (“FINRA”) (each, a “Selling Group Member,” and collectively, the “Selling Group Members”) to offer and sell the Interests. In the event sales of Interests are made by Selling Group Members, such Selling Group Members may receive selling commissions (“Selling Commissions”) not exceeding 5.0% of the Maximum Offering Amount and a non-accountable marketing and due diligence allowance (the “Marketing/Due Diligence Reallowance”) equal to 0.5% of the Maximum Offering Amount. Investors whose purchase is made through a Selling Group Member may incur the Selling Commissions and the Marketing/Due Diligence Reallowance costs, resulting in a reduction in the amount of equity from those Investors going to the Trust and credited to the amount of Interests purchased by those Investors. For purposes hereof, an “Affiliate” of any person (i.e., a natural person, corporation, partnership, trust, unincorporated association or other legal entity) shall be any person directly or indirectly controlling, controlled by, or under common control with, another person.
- (3) The proceeds shown are before deducting the actual out-of-pocket costs and expenses incurred by the Initial Beneficiary in connection with the acquisition of the Property, closing of the Loan, and the Offering of Interests, including, but not limited to, the costs of organizing the Trust, marketing, legal, finance, property due diligence, and printing fees and expenses incurred in connection with this Offering (the “Formation, DD and Financing Expenses”), which Formation, DD and Financing Expenses are currently estimated to be approximately \$1,101,000 in the aggregate. The Trust will reimburse the Initial Beneficiary for such Formation, DD and Financing Expenses. The proceeds of the Offering will be used to redeem on a dollar for dollar basis the Initial Beneficiary’s beneficial interest in the Trust (in addition to the fees and expenses in connection with the acquisition of the Property, closing of the Loan, and offering of the Interests), and to fund reserves, as the Interests are sold to Investors. See “ACQUISITION AND FINANCING TERMS” and “ESTIMATED USE OF PROCEEDS.” The total aggregate amount of Selling Commissions, Marketing/Due Diligence Reallowance and Formation, DD and Financing Expenses (collectively, “Selling Commissions and Expenses”) will not exceed 10% of the Maximum Offering Amount. The Trust reserves the right to reallocate items of compensation set forth herein, provided that the maximum shall not exceed 10% of the Maximum Offering Amount. The Formation, DD and Financing Expenses are based on certain assumptions made by the Trust. The actual amount of these costs may be higher or lower than anticipated. If actual total costs are less than budgeted, the excess funds will be retained by the Trust. If actual expenses are more than estimated, the Initial Beneficiary will be required to pay for such excess amount. The Trust, in its sole discretion, may accept purchases of Interests net (or partially net) of the Selling Commissions and Expenses and other items of compensation due to Initial Beneficiary or an Affiliate in certain circumstances deemed appropriate by it, in its sole discretion.
- (4) The Trust will sell Interests until the earlier of (a) all of the Interests in the Trust have been sold, or (b) one year from the date the first Investor acquires an Interest in the Trust, subject to extension. If the Trust is unable to sell all of the Interests within the offering period, the Initial Beneficiary or an Affiliate will, subject to applicable securities laws, own the unsold Interests and may conduct a secondary offering of the unsold Interests to Accredited Investors (as defined below) until all or any portion satisfactory to Initial Beneficiary of the unsold Interests are sold. See “RISK FACTORS - RISKS RELATING TO PRIVATE OFFERING AND LACK OF LIQUIDITY - NO MINIMUM,” “PLAN OF DISTRIBUTION,” “COMPENSATION OF THE INITIAL BENEFICIARY, MASTER TENANT, SIGNATORY TRUSTEE AND AFFILIATES” and “FIDUCIARY DUTIES OF THE INITIAL BENEFICIARY, TRUSTEES AND MASTER TENANT -- Affiliated Ownership and Management.”
- (5) The minimum purchase is a 4.0% Interest (\$500,000 of equity). Each Investor will be allocated a pro rata percentage of the Loan in proportion to such Investor’s Interests. The Trust may waive the minimum purchase requirement.

During the course of the Offering and prior to purchasing Interests, the Trust invites you to ask the Initial Beneficiary questions concerning the terms and conditions of this Offering and to provide or obtain any additional information necessary to verify the accuracy of the information in this Memorandum which is material to the Offering to the extent that the Initial Beneficiary possesses the information or can obtain it without undue effort or expense. You may obtain copies of any or all documents summarized in this Memorandum or any third-party due diligence opinions relating to this Offering or the Property, without charge, by request directed to:

SRRT 4200 Industrial DST
c/o SRRT Properties, LP
901 North Third Street, Suite #100
Minneapolis, MN 55401
(612) 359-5849
erichardson@sr-re.com

An investment in Interests involves significant risks. Prospective Investors must read and carefully consider the discussion set forth in this Memorandum in “Risk Factors” and consult with their own legal, tax and financial advisors prior to purchasing the Interests. An investment in Interests is suitable only for persons of substantial means who have no need for liquidity in their investment. Investors should carefully consider the following:

- This Memorandum is not legal or tax advice to the Investors. Each Investor should consult the Investor’s own independent legal counsel, accountant and/or business advisor as to legal, tax and related matters concerning this investment, and the qualification of such Investor’s transaction under Section 1031 for such Investor’s specific circumstances. Each Investor’s specific circumstances may differ and, as a result, no assurances can be given, and no legal opinion will be provided, that the purchase of the Interests by any prospective Investor will qualify as a Section 1031 Exchange.
- The Trust will have the right, in its sole discretion, to refuse a subscription for the Interests if the Trust believes that an Investor does not meet the applicable investor suitability requirements, the Interests otherwise constitute an unsuitable investment for the Investor, for any other reason, or for no reason.
- The securities offered hereby may be offered and sold only to persons or entities who meet the investor suitability requirements set forth under “Who May Invest” in this Memorandum.
- No person has been authorized by the Trust or the Initial Beneficiary to make any representations or furnish any information with respect to the Trust and/or the Interests other than as set forth in this Memorandum or other documents or information furnished by the Trust or the Initial Beneficiary upon request. However, authorized representatives of the Trust will, if such information is reasonably available, provide additional information that a prospective Investor (or its representatives) requests for the purpose of evaluating the merits and risks of the Offering.
- This Memorandum has been prepared solely for the benefit of persons interested in the proposed private placement of the Interests offered hereby. 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 expressly prohibited. The recipient, by accepting delivery of this Memorandum, agrees to return this Memorandum and all documents furnished herewith to the Trust or its representatives immediately upon request if the recipient does not purchase any of the Interests, or if the Offering of the Interests is withdrawn or terminated.
- The Trust may reject the Purchase Agreement of a prospective Investor for any reason. The Purchase Agreement will be rejected for failure to conform to the requirements of the Offering or such other reasons as the Trust may determine. The Purchase Agreement may not be revoked, canceled, or terminated by the Investor for any reason, except as expressly set forth herein.
- The Offering of the Interests is made exclusively by this Memorandum and any subsequent supplements. This Memorandum contains a summary of certain provisions of various documents, including the Purchase Agreement, Trust Agreement, and the Master Lease, but only the full text of such documents 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 full text of 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 a prospective Investor or his/her advisors upon request.
- Because the Interests are not registered under the Act or the securities laws of any state, Investors must hold them indefinitely unless: (i) they are registered under the Act and any applicable state securities acts, which registration the Trust does not expect to occur, or (ii) the Trust, with the advice of counsel, concludes that registration is not required under the Act and applicable state laws. No public market currently exists for the Interests and none is expected to develop.

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

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

The 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 one year from discovery of facts constituting such violation. Should any Investor institute such an action on the theory that the offering conducted as described herein was required to be registered or qualified, the Initial Beneficiary contends that the contents of this Memorandum constituted notice of the facts constituting such violation.

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

We hereby inform you that any tax discussions contained in this Memorandum were written in connection with the promotion or marketing of the transaction or matters addressed herein and were not intended or written to be legal or tax advice to any person and were not intended or written to be used, and cannot be used, for the purpose of avoiding tax-related penalties under federal, state or local tax law. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

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WHO MAY INVEST

The offer and sale of Interests is being made in reliance on an exemption from the registration requirements of the Act provided under Rule 506(b) of Regulation D promulgated thereunder. Accordingly, sales of the Interests will be strictly limited to persons who meet the requirements and make the representations set forth below. The Trust may declare any prospective Investor ineligible to purchase Interests for any legal reason.

INVESTOR SUITABILITY REQUIREMENTS

Investment in the Interests involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in this investment. This investment will be sold only to investors who (i) represent in writing that they are “accredited investors” (as defined under Rule 501(a) of Regulation D) and satisfy the investor suitability requirements described below.

Each Investor must represent in writing that they meet, among others, ALL of the following requirements:

- Investor has received, read and fully understands this Memorandum, all exhibits hereto and the Investor Data Room. Investor is basing the decision to invest on the Memorandum, all exhibits hereto and the Investor Data Room. Investor has relied only on the information contained in said materials, and has not relied upon any representations made by any other person; and
- Investor understands that an investment in the Interests involves substantial risks and is fully cognizant of, and understands, all of the risk factors associated with the Interests, including, without limitation, those risks set forth below in the section entitled “Risk Factors”; and
- Investor’s overall commitment to investments that are not readily marketable is not disproportionate to such Investor’s individual net worth, and such Investor’s investment in the Interests will not cause such overall commitment to become excessive; and
- Investor has adequate means of providing for such Investor’s financial requirements, both current and anticipated, and has no need for liquidity in this investment; and
- Investor can bear, and is willing to accept, the economic risk of losing his entire investment in the Interests; and
- Investor is acquiring the Interests for their own account and for investment purposes only and has no present intention, agreement or arrangement for the distribution, transfer, assignment, resale, or subdivision of the Interests.
- Further, each Investor must represent in writing that he, she, or it is an “Accredited Investor” as defined under Rule 501(a) of Regulation D. In addition to certain institutional investors, an Investor who meets **ONE** of the following tests will qualify as an “Accredited Investor”:
 - the Investor is a natural person who had individual income in excess of **\$200,000** in each of the two most recent years, or joint income with that person’s spouse in excess of **\$300,000** in each of these years, and has a reasonable expectation of reaching the same income level in the current year; or
 - the Investor is a natural person whose individual net worth, or joint net worth with that person’s spouse, excluding the Investor’s primary residence, exceeds **\$1,000,000** at the time of purchase of the Interests; or
 - the Investor is an organization described under Section 501(c)(3) of the Internal Revenue Code, a corporation, Massachusetts or similar business trust or a partnership, not formed for the specific purpose of acquiring the Interests, with total assets in excess of **\$1,000,000**; or
 - the Investor is a trust with total assets in excess of **\$5,000,000**, not formed for the specific purpose of acquiring the Interests, whose purchase is directed by a “sophisticated person” as defined in Rule 506(b)(2)(ii) of Regulation D under the Securities Act; or
 - the Investor is an entity (including an Individual Retirement Account trust) in which each of the equity owners is an accredited investor; or

- the Investor is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 in which the investment decision is made by a plan fiduciary (as defined in Section 3(21) of such Act) which is either a bank, savings and loan association, insurance company or registered investment adviser; or the employee benefit plan has total assets in excess of **\$5,000,000**; or it is a self-directed plan in which investment decisions are made solely by persons who are accredited investors.

For purposes of calculating an Investor's net worth above, "net worth" is defined as the difference between total assets and total liabilities. Net worth does not include the value of the primary residence of the Investor. In the case of fiduciary accounts, the net worth and/or income suitability requirements may be satisfied by the beneficiary of the account, or by the fiduciary, if the fiduciary directly or indirectly provides funds for the purchase of the Interests.

The Trust is offering and selling its securities pursuant to the exemption from registration under the Securities Act provided for under Rule 506(b) of Regulation D. Therefore, you must deliver to the Trust an executed copy of a complete and accurate Investor Questionnaire and Purchase Agreement, forms of which are attached hereto as an exhibit.

Representations with respect to the foregoing and certain other matters will be made by each Investor in the Purchase Agreement the form of which is attached hereto as an exhibit (the "Purchase Agreement"). The Trust will rely on the accuracy of each Investor's representations set forth in the Purchase Agreement and may require additional evidence that an Investor satisfies the applicable standards at any time prior to the acceptance of an Investor's subscription. An Investor is not obligated to supply any information so requested by the Trust, but the Trust may reject a subscription from any Investor who fails to supply any information so requested.

The investor suitability requirements stated above represent minimum suitability requirements established by the Trust for Investors in Interests. However, satisfaction of these requirements by an Investor will not necessarily mean that Interests are a suitable investment for such Investor, or that the Trust will accept the Investor as a subscriber. Furthermore, the Trust, as appropriate, may modify such requirements in its sole discretion, and such modifications may raise the suitability requirements for Investors.

The written representations made by Investors will be reviewed to determine the suitability of each Investor. The Trust will have the right, in its sole discretion, to refuse a subscription for the Interests if the Trust believes that an Investor does not meet the applicable investor suitability requirements, the Interests otherwise constitute an unsuitable investment for the Investor, for any other reason, or for no reason.

Interests are not a suitable investment for tax-exempt investors such as individual retirement accounts ("IRAs") or other plans subject to the Employee Retirement Income Security Act of 1974 (commonly known as ERISA) or Code Section 4975 (collectively, "Qualified Plans"). Therefore, this Memorandum does not discuss the risks that may be associated with an investment in Interests by IRAs, Qualified Plans or other tax-exempt investors.

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

The Investor understands that neither the Initial Beneficiary nor the Trust has obtained a ruling from the IRS that Interests will be treated as undivided interests in real estate as opposed to partnership interests or interests in another entity that is separately taxable rather than disregarded for tax purposes. The Investor understands that the tax consequences of an investment in Interests, especially the qualification of Interests under Section 1031 of the Code and the related 1031 exchange rules, are complex and vary with the facts and circumstances of each individual Investor.

The Investor represents and warrants that; (i) he or she has consulted his or her own independent tax advisor regarding an investment in Interests and the qualification of the transaction under Section 1031 of the Code, (ii) he or she is not relying on (a) the Trust, the Initial Beneficiary, any of their Affiliates, employees, or their agents, including their counsel and accountants, or (b) any Broker-Dealer or the representatives of a Broker-Dealer through whom Interests are purchased, for any tax advice regarding the qualification of Interests under Section 1031 of the Code or any other matter, and (iii) he or she is not relying on any statements made in this Memorandum regarding the qualification of the Interests under Section 1031 of the Code.

Restrictions Imposed by USA Patriot Act and Related Acts

Interests may not be offered, sold, transferred or delivered, directly or indirectly, to any "Sanctioned Person," a term which is defined for purposes of the Memorandum as any person who:

- is named on the list of “specially designated national” or “blocked persons” maintained by the U.S. Office of Foreign Assets Control (“OFAC”) at: <http://www.treas.gov/offices.eotffc/ofac/sdn/index.html>, or as otherwise published from time to time; and
- (i) an agency of the government of a Sanctioned Country, (ii) an organization controlled by a Sanctioned Country, or (iii) a person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC. A “Sanctioned Country” means a country subject to a sanctions program identified on the list maintained by OFAC and available at the following location: <http://www.treas.gov/offices/eotffc/ofac/sanctions/index.html>, or as otherwise published from time to time

In addition, Interests may not be offered, sold, transferred or delivered, directly or indirectly, to any person who: (i) has more than 15% of its assets in Sanctioned Countries; or (ii) derives more than 15% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries.

Representations with respect to the foregoing and certain other matters will be made by each Investor as part of any subscription for Interests. The Trust will rely on the accuracy of each Investor’s representations and may require additional evidence that an Investor satisfies the applicable standards at any time prior to the acceptance of such Investor’s subscription. An Investor is not obligated to supply any information so requested by the Trust, but the Trust may reject a subscription from any Investor who fails to supply any information so requested.

If an Investor does not meet the requirements described above, the Investor should not read further and should immediately return this Memorandum to the Trust or the applicable member of the Selling Group. Further, in the event an Investor does not meet such requirements, this Memorandum shall not constitute an offer to sell Interests to him.

INVESTOR DATA ROOM

In addition to the information and documents contained in this Memorandum and the exhibits attached hereto, and in lieu of providing paper copies to Investors, the Trust has included certain additional information relating to the Trust and this offering in an investor data room (the “Investor Data Room”). Each Investor will be provided with access to the Investor Data Room upon request. To the extent any prospective investor desires paper copies of any of the documents located in the Investor Data Room, such copies are available upon request. To obtain access to the Investor Data Room or to instead request receipt of paper copies, please direct your request to:

SRRT 4200 INDUSTRIAL DST
 c/o SRRT Properties, LP
 901 North Third Street, Suite #100
 Minneapolis, MN 55401
 (612) 359-5849
 erichardson@sr-re.com

The following additional documents are currently expected to be contained in the Investor Data Room as of the date of this Memorandum:

- Delaware Statutory Trust Agreement
- Master Lease
- Loan Agreement
- Appraisal Report
- Asset Management Agreement
- Property Management Agreement
- Lease
- Financial Forecasts
- Phase I Environmental Site Assessment

The documents contained in the Investor Data Room are important to Investors' review and understanding of the offering. Investors are strongly urged to review all documents contained in the Investor Data Room, which will be updated from time to time, prior to making an investment in this offering.

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HOW TO PURCHASE

Interests may only be purchased by Accredited Investors as defined above in “Who May Invest.” Prospective Investors who would like to purchase Interests must carefully read the Memorandum. Prospective Investors must complete, execute, and deliver the Purchase Agreement and the Investor Questionnaire, forms of which are attached hereto as an exhibit, and tender a check or wire funds in the amount of the purchase price for the Interests (“Purchase Price”) payable to the order of “SRRT 4200 INDUSTRIAL DST.” Upon the Trust’s acceptance of the prospective Investor’s Purchase Agreement, the Trust will circulate various additional documents for the prospective Investor to sign and return. Unless otherwise directed by the Trust, the documents and a check or wire for the Purchase Price should be mailed or delivered to the Trust:

SRRT 4200 INDUSTRIAL DST
c/o SRRT Properties, LP
901 North Third Street, Suite #100
Minneapolis, MN 55401
(612) 359-5849
erichardson@sr-re.com

Upon receipt of the signed Purchase Agreement and Investor Questionnaire, and the Purchase Price, the Trust will decide whether to accept the prospective Investor’s investment. Upon the Trust’s acceptance of a prospective Investor for the purchase of Interests, the Trust will so notify the prospective Investor.

The Purchase Price will be fully refunded by the Trust without interest if a prospective Investor is not accepted by the Trust.

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SUMMARY OF THE OFFERING

The following summary is intended to provide selected limited information regarding the Offering and should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum. EACH PROSPECTIVE INVESTOR IS INSTRUCTED TO READ THE ENTIRE MEMORANDUM BEFORE INVESTING IN INTERESTS.

Interests Offered:

The Trust will sell Interests to Accredited Investors for the Minimum Investment of \$500,000, which is equal to an approximate 4.0% Interest. Only Investors who have delivered to the Trust executed copies of a complete and accurate Investor Questionnaire and Purchase Agreement will be eligible to purchase Interests.

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

As of the date of this Memorandum, SRRT Properties, LP, a Delaware limited partnership, and an Affiliate of SR Realty Trust, Inc., owns 100% of the Interests, and is the sole beneficiary of the Trust (the "Initial Beneficiary"). The proceeds of the Offering will be used to redeem on a dollar for dollar basis the Initial Beneficiary's beneficial interest in the Trust (in addition to the fees and expenses in connection with the acquisition of the Property, closing of the Loan, and offering of the Interests), and to fund reserves, as the Interests are sold to Investors. If any Interests cannot be sold, the Initial Beneficiary or its Affiliate or third-party transferee will own the remaining Interests.

The Offering will terminate on or before the earlier of (i) the date on which all Interests have been sold, or (ii) one year from the date the first Investor acquires Interests in the Trust (which may be extended in the sole discretion of the Initial Beneficiary).

Property – Description:

The Property is located at 4200 South 121st Plaza, Omaha, NE, 68137 (the "Property"). The Property is an industrial building containing approximately 409,500 rentable square feet..

Property – Acquisition:

The Initial Beneficiary originally acquired the Property on March 6, 2024, through a wholly-owned subsidiary, SRRT 4200 Industrial, LLC, a Minnesota limited liability company ("Owner"), from an unrelated third-party seller for \$22,800,000. Subsequent to its purchase of the property, an affiliate of the Initial Beneficiary entered into the Master Lease described in "Property – Master Lease" below.

The Trust subsequently acquired the Property from the Initial Beneficiary for a contributed value of \$24,000,000 (the "Contributed Value"), via a contribution transaction, pursuant to which the Initial Beneficiary contributed all of its limited liability company interests in the Owner to the Trust, in return for 100% of the Interests. Accordingly, the Initial Beneficiary is the sole beneficiary of the Trust as of the date of this Memorandum. See "ACQUISITION AND FINANCING TERMS" for a summary of the terms of the acquisition.

The proceeds of the Offering will be used to redeem on a dollar for dollar basis the Initial Beneficiary's beneficial interest in the Trust (in addition to the fees and expenses in connection with the acquisition of the Property, closing of the Loan, and offering of the Interests), and to fund reserves, as

the Interests are sold to Investors. The Trust will pay the Initial Beneficiary an acquisition fee in an amount equal to three percent (3%) of the Contributed Value. This fee is included in the Formation, DD and Financing Expenses.

See “ACQUISITION AND FINANCING TERMS” and “ESTIMATED USE OF PROCEEDS.”

Property – Financing:

Concurrent with becoming the sole member of Owner, the Trust assumed the existing third-party indebtedness secured by the Property in the principal amount of \$12,960,000 (the “Loan”) from Cobalt Credit Union (the “Lender”).

The Loan is evidenced by a Business Loan Agreement, as amended by that certain Addendum and Amendment to Loan Documents, as further amended by that certain Second Addendum and Amendment to Loan Documents (collectively, the “Loan Agreement”) and is secured by a first priority mortgage recorded against the Property pursuant to a Commercial Security Agreement.

The Loan has a term of approximately five (5) years from the date of the original acquisition of the Property. The interest rate on the loan is fixed at 6.88% and the Owner is required to make monthly, interest only payments for the first thirty (30) months of the Loan term. Although the Loan is nonrecourse to the Investors, the Initial Beneficiary has provided a carve out guaranty in connection with the Loan.

Accordingly, Investors will have no personal liability in connection with the Loan. However, upon an uncured event of default under the Loan, the Lender will have the right to foreclose on the Property. If this were to occur, Investors would likely lose part of their investment and may lose their entire investment in the Trust.

For purposes of determining liabilities assumed with respect to the Property in connection with an Investor’s Interests, each Investor will be allocated a pro rata percentage of the Loan.

See “ACQUISITION AND FINANCING TERMS.”

Property – Lease:

The Property is currently 100% leased and has one tenant (the “Tenant”) occupying the approximately 409,500 square feet rentable area and tenant leasing parking spaces. The Lease currently has an annual rent of \$1,732,577 with a built-in 2% per annum increase. The Lease is currently expected to expire on August 31, 2030. See “DESCRIPTION OF TENANT AND LEASE TERMS.”

Property – Master Lease; Operation and Management:

Concurrent with the contribution by the Initial Beneficiary, Owner entered into the Master Lease with the Master Tenant. The Master Lease will terminate upon, the earlier to occur of, the sale of the Property, or ten (10) years from the commencement date thereof. The annual rent (“Rent”) payable by the Master Tenant to the Trust will initially be equal to \$1,700,000 and will increase by 1% per annum. All Rent will be paid in arrears in twelve equal monthly installments by the Master Tenant to the Owner, or its designee. In addition, the Master Tenant will pay all Operating Costs and Impositions (as those terms are defined in the Master Lease).

Upon the sale of the Property, the Signatory Trustee will be entitled to receive a disposition fee of three (3.0%) of the gross sale price, as such fee may be increased to include any commissions or fees payable by the Trust

or an Affiliate to any third party in connection with the sale of the Property. See “RISK FACTORS – Risks Relating to the Management of the Property and the Master Lease – Conflicts of Interest – Management of Property,” “RISK FACTORS – Risks Relating to the Management of the Property and the Master Lease – Reliance on Master Tenant” and “Compensation of the Initial Beneficiary, Master Tenant, Signatory Trustee and Affiliates.”

Asset Management Agreement, Property Management and Fees:

The Trust entered into an Asset Management and Services Agreement (the “Asset Management Agreement”) with the Signatory Trustee. The Asset Management Agreement, a copy of which is uploaded to the Investor Data Room, will remain in effect and automatically renew for successive one-year periods until otherwise terminated.

In its capacity as advisor to the Trust, the Signatory Trustee is responsible for managing the Trust’s day to day operations, including, but not limited to: reviewing all performance and financial information related to the Property; managing the Reserve Account (as defined below); providing bookkeeping and accounting services and maintaining the Trust’s books and records; administering monthly cash distributions; communicating with investors, brokers, dealers, financial advisors and custodians; and undertaking and performing all services or other activities necessary and proper to carry out the Trust’s investment objectives, including providing secretarial, clerical and administrative assistance for the Trust. If the Trust requests any additional services not specified in the Asset Management Agreement, the Signatory Trustee may agree to provide the requested services upon terms that are mutually agreeable to the Trust and the Signatory Trustee.

The Asset Management Agreement may be terminated by either party upon ten days prior written notice to the other party in the event of a material breach by the other party. The Asset Management Agreement will automatically terminate upon a sale or disposition of the Property.

The Trust will pay the Signatory Trustee an asset management fee, as provided in the Asset Management Agreement, on an annual basis in an amount equal to one half percent (0.5%) of the Contributed Value, paid in one-twelfth monthly increments.

Upon the sale of the Property, the Signatory Trustee will be entitled to receive a disposition fee of three (3.0%) of the gross sale price, as such fee may be increased to include any commissions or fees payable by the Trust or an Affiliate to any third party in connection with the sale of the Property.

The Signatory Trustee may decide, in its sole discretion, to be paid an amount less than the total amounts to which it is entitled under the Asset Management Agreement, and any excess amount that is not paid may, in the Signatory Trustee’s sole discretion, be waived permanently or, as applicable, deferred or accrued, without interest, to be paid at a later point in time.

The Master Tenant entered into a Property Management and Leasing Agreement (the “Property Management Agreement”) with SR Management Services, LLC, a Minnesota limited liability company (“SR Management”) and an Affiliate of the Signatory Trustee. The Property Management Agreement, a copy of which is uploaded to the Investor Data Room, will remain in effect and automatically renew for successive one-year periods until otherwise terminated.

In its capacity as property manager, SR Management is responsible for managing certain aspects of the operation of the Property. If the Master

Tenant requests any additional services not specified in the Property Management Agreement, SR Management may agree to provide the requested services upon terms that are mutually agreeable to the Master tenant and SR Management.

The Property Management Agreement may be terminated by either party upon ten days prior written notice to the other party in the event of a material breach by the other party. The Property Management Agreement will automatically terminate upon the expiration or termination of the Master Lease.

The Master Tenant will pay SR Management a property management fee, as provided in the Property Management Agreement, on a monthly basis in an amount equal to Three Thousand and No/100 dollars (\$3,000.00) per month, with a three percent (3%) annual increase each year.

The Master Tenant will pay SR Management or its Affiliate, SR Construction Services, LLC, a Minnesota limited liability company, a construction supervision fee based upon the total cost of any tenant improvements, as provided in the Property Management Agreement. Such construction supervision fee shall be in the amount of ten percent (10%) of the cost of such tenant improvements up to \$5,000; plus seven percent (7%) of the total cost of such tenant improvements between \$5,000 and \$15,000; plus four percent (4%) of the total cost of such tenant improvements in excess of \$15,000.

SR Management may decide, in its sole discretion, to be paid an amount less than the total amounts to which it is entitled under the Property Management Agreement, and any excess amount that is not paid may, in SR Management's sole discretion, be waived permanently or, as applicable, deferred or accrued, without interest, to be paid at a later point in time.

See "RISK FACTORS – Risks Relating to the Management of the Property and the Master Lease – Conflicts of Interest – Management of Property," "RISK FACTORS – Risks Relating to the Management of the Property and the Master Lease – Reliance on Master Tenant" and "Compensation of the Initial Beneficiary, Master Tenant, Signatory Trustee and Affiliates."

Reserve Account:

The Trust will fund \$330,000 into reserves at final closing and will accrue and maintain reserve accounts for the Property (the "Reserve Account") to make funds available for capital expenditures and unanticipated costs. If additional reserves are needed, the Signatory Trustee may withhold distributions to the Investors, therefore reducing projected returns.

Trust Agreement:

The Trust, which is the sole member of Owner, is governed by the Trust Agreement, a copy of which is uploaded to the Investor Data Room. The Trust Agreement sets forth the rights and duties of the Investors and the Trustees (as defined in "Summary of the Trust Agreement") with respect to the Owner and the Property. Pursuant to the Trust Agreement, Investors have no legal or other ability to control the operation and ownership of the Owner or the Property.

The Initial Beneficiary holds an exclusive option (the "FMV Option") pursuant to the Trust Agreement, exercisable at any time (and from time to time) after two (2) years from the earlier of (i) the date on which all \$12,471,000 of the Interests offered hereby are sold, or (ii) the date on which the offering expires or is terminated. The FMV Option grants the Initial Beneficiary, or its successor or assignee, the right to make an offer to exchange each Investor's Interests in the Trust for an equivalent value

of partnership units of the Initial Beneficiary (the “Unit Exchange”). If the Initial Beneficiary, or its successor or assignee, elects to make an offer pursuant to the FMV Option, then each Investor shall be required to indicate whether or not such Investor consents to the Unit Exchange. If less than all of the Investors consent to the Unit Exchange, then the Initial Beneficiary shall have the right (i) to rescind the offer as it relates to all Investors; or (ii) to rescind the offer only as it relates to those Investors that did not consent to the Unit Exchange, and to consummate the Unit Exchange with each of the remaining Investors. With respect to any non-consenting Investors, the Initial Beneficiary reserves the right to, in its sole discretion, consummate a cash buy-out of each such Investor’s Interest.

See “SUMMARY OF THE TRUST AGREEMENT.”

Conflicts and Compensation of the Initial Beneficiary and Affiliates:

The Initial Beneficiary and Affiliates will receive fees and compensation from the Offering and operation of the Property and will have conflicts of interest, as described in this Memorandum. See “COMPENSATION OF THE INITIAL BENEFICIARY, MASTER TENANT, SIGNATORY TRUSTEE AND AFFILIATES” and “CONFLICTS OF INTEREST.”

Investor Suitability Standards:

The Offering is strictly limited to persons who meet certain minimum financial requirements as to income and/or net worth, among other requirements. See “WHO MAY INVEST.”

Use of Proceeds:

The Offering is being made for purposes of the recovery of any capital investment that may be made in the Trust by the Initial Beneficiary or its Affiliates (in addition to the payment of fees and expenses in connection with the acquisition of the Property, closing of the Loan, and offering of the Interests), and to fund reserves. See “ESTIMATED USE OF PROCEEDS” and “COMPENSATION OF THE INITIAL BENEFICIARY, MASTER TENANT, SIGNATORY TRUSTEE AND AFFILIATES.”

Minimum Investment:

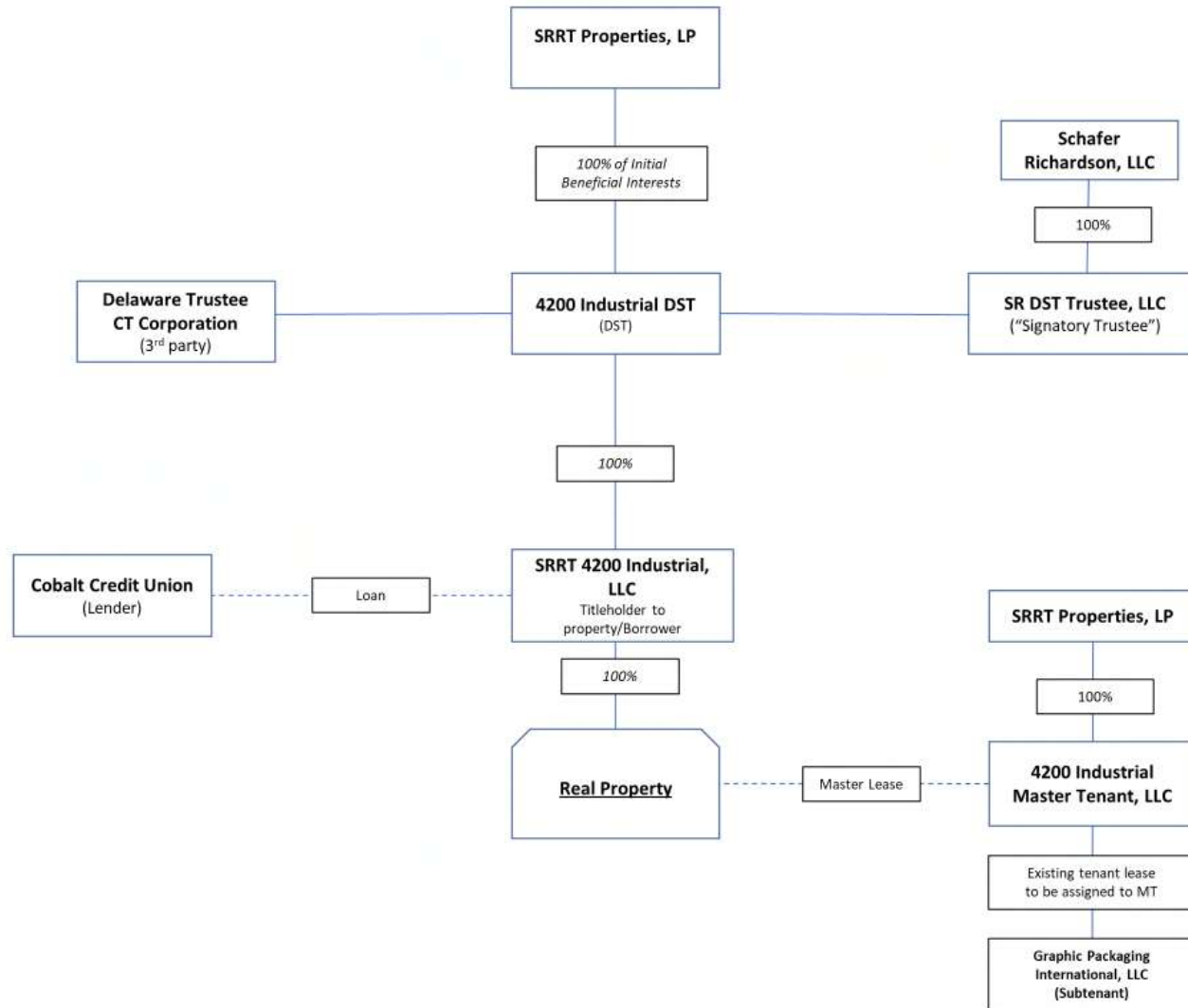
The Minimum Investment is a 4.0% Interest for \$500,000. The Trust reserves the right, in its sole discretion, to waive the minimum purchase requirement.

Defined Terms:

An “Affiliate” of any Person (i.e., a natural person, corporation, partnership, trust, unincorporated association or other legal entity) means any Person directly or indirectly controlling, controlled by or under common control with another Person.

The following is an organizational chart reflecting the proposed structure of the Trust, the Initial Beneficiary, the Owner, the Signatory Trustee, the Master Tenant, and certain other entities involved in the management of such entities.

SRRT 4200 Industrial DST Org Chart



SUMMARY OF THE PURCHASE AGREEMENT AND INVESTOR QUESTIONNAIRE

General

Each Investor will be required to execute a Purchase Agreement and an Investor Questionnaire in the form attached to this Memorandum as an exhibit. Prospective Investors should review the entire Purchase Agreement and the Investor Questionnaire with their own independent legal counsel before submitting an offer to purchase Interests. The following is merely a summary of some of the significant provisions of the Purchase Agreement and the Investor Questionnaire and is qualified in its entirety by reference thereto.

Submission of Offer to Purchase

A summary of the procedures for the offer and purchase of Interests is set forth in the section of this Memorandum entitled "How to Purchase." Investors should read that section in its entirety.

Closing

Prior to an Investor's closing, each Investor is required to deliver to the Trust (i) the Investor Questionnaire, (ii) the Purchase Agreement, (iii) an executed signature page for the Trust Agreement, (iv) the purchase price for the Interests being acquired, and (v) such other documents as may reasonably be requested by the Trust. At the closing of an Investor's purchase of Interests, the Investor will receive Interests in the Trust.

No Tax Advice

The Investors will acquire their Interests without any representations from the Trust or the Initial Beneficiary regarding the tax implications of the transaction. Each Investor must consult his or her own independent attorneys and other tax advisors regarding the tax implications of the Investor's acquisition of Interests in the context of his or her own particular circumstances, including whether such acquisition will qualify as part of a proposed tax-deferred exchange under Section 1031 of the Code, 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 set forth above are not satisfied. If the Purchase Agreement is terminated, the Investor will have no right to acquire any Interests or the Property and will have no claims against the Trust for damages, expenses, lost profits or otherwise. The Purchase Price will be fully refunded by the Trust without interest if a prospective Investor is not accepted by the Trust.

Indemnity

The Purchase Agreement contains an indemnity provision whereby each Investor will be required to indemnify, defend and hold harmless the Trust, the Initial Beneficiary and certain other parties from any and all damages, losses, liabilities, costs and expenses including reasonable attorneys' fees and costs that they may incur by reason of the Investor's failure to fulfill all of the terms and conditions of the Purchase Agreement or untruth or inaccuracy of any of the representations, warranties, covenants, or agreements contained therein.

Arbitration

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

SUMMARY OF THE TRUST AGREEMENT

Your investment in the Trust and the Property is governed by the Trust Agreement, a copy of which is uploaded to the Investor Data Room. The Delaware Trustee is The Corporation Trust Company, a Delaware corporation, and the Signatory Trustee is SR DST Trustee, LLC, a Minnesota limited liability company, which is wholly owned by Schafer Richardson, LLC, a Minnesota limited liability company and an Affiliate of the Initial Beneficiary (together, the “Trustees”). The rights and obligations of the Investors and Trustees with respect to the Trust Property, which includes the Property, are governed by the Trust Agreement. The following is a summary of some of the significant provisions of the Trust Agreement, and is qualified in its entirety by reference to the full Trust Agreement.

Purposes of the Trust

The purposes of the Trust are (a) to acquire, own, operate and dispose of the Property; (b) to enter into and comply with the terms of the Loan Documents, the Master Lease, and other transaction documents that relate to the Property; and (c) to take such other actions as the Trustees deem necessary or advisable to carry out the foregoing.

Term of the Trust

The Trust will terminate on the earlier of (a) August 1, 2074, or (b) the date on which the Property has been sold, provided that the Loan has been repaid in full.

Authority and Duties of the Trustees

The Trustees have the sole authority to manage, control, dispose of or otherwise deal with the Trust Property in a manner that is consistent with their duty to conserve and protect the Trust Property. The Trustees do not owe any fiduciary duties to the Investors, and the Trustees are not individually liable for their actions except (a) in the event of their own willful misconduct or gross negligence, (b) for the inaccuracy of their representation that the Trust Agreement has been authorized, executed and delivered by each of the Trustees, (c) for engaging in any Prohibited Action (as defined in “Limitation on Authority of Trustees” below), (d) for their failure to use ordinary care in disbursing monies to Investors pursuant to the terms of the Trust Agreement, and (e) for their own income taxes based on fees, commissions or compensation received in the capacity of Trustee. The Trustees will be indemnified by the Trust from any damages and liability they incur in connection with the Property, except if such damage or liability results from actions described in clauses (a) through (e) above.

The duties of the Delaware Trustee are limited to acting as Trustee in the State of Delaware to satisfy the requirement of the Delaware Statutory Trust Act that the Trust have at least one Trustee with a principal place of business in Delaware. All other duties under the Trust Agreement reside with the Signatory Trustee, including, but not limited to: (a) acquiring and disposing of the Property; (b) entering into or assuming and complying with the terms of the Loan Documents, the Lease, the Master Lease and any other transaction documents; (c) collecting rent payments from the Master Tenant and distributing such payments (less expenses and reserves) to Investors; (d) entering into agreements to enable Investors to complete Section 1031 exchanges; (e) notifying relevant parties of any default by them under the transaction documents; and (f) solely in the event of a default, bankruptcy, or insolvency of the Tenant (or any subsequent tenant), entering into any new lease of the Property (or a new Master Lease).

Compensation and Reimbursement of the Trustees

The Trust will pay the Delaware Trustee an annual fee, and other fees for their services pursuant to a separate agreement. The Signatory Trustee will receive an asset management fee, as provided in the Asset Management Agreement, on an annual basis in an amount equal to one half percent (0.5%) of the Contributed Value, paid in one-twelfth increments monthly. The Trustees shall be entitled to be reimbursed for their reasonable expenses related to the performance of their duties.

Fair Market Value Option

The Initial Beneficiary holds an exclusive option (the “FMV Option”) pursuant to the Trust Agreement, exercisable at any time (and from time to time) after two (2) years from the earlier of (i) the date on which all \$12,471,000 of the Interests offered hereby are sold, or (ii) the date on which the offering expires or is terminated. The FMV Option grants the Initial Beneficiary, or its successor or assignee, the right to make an offer to exchange each Investor’s Interests in the Trust for an equivalent value of partnership units of the Initial Beneficiary (the “Unit Exchange”). If the Initial Beneficiary, or its successor or assignee, elects to make an offer pursuant to the FMV Option, then each Investor shall be required to provide written communication indicating whether or not such Investor consents to the Unit Exchange. In the event an Investor fails to provide such written communication within thirty (30) days of receiving the offer, such Investor shall be deemed to have consented to the Unit Exchange.

The value of each Investor's Interest for purposes of the FMV Option (the "Fair Market Value") shall be determined by multiplying: (i) such Investor's percentage Interest in the Trust by (ii) the value of the Property, as determined by the Initial Beneficiary (the "Real Estate Value"). The Real Estate Value for purposes of the FMV Option shall not be less than the value of the Property as determined by an independent appraisal firm (selected by the Initial Beneficiary in its sole discretion) pursuant to an appraisal of the Property. Such appraisal must have been completed within the preceding one (1) year period.

If less than all of the Investors consent to the Unit Exchange, then the Initial Beneficiary shall have the right (i) to rescind the offer as it relates to all Investors; or (ii) to rescind the offer only as it relates to those Investors that did not consent to the Unit Exchange, and to consummate the Unit Exchange with each of the remaining Investors. With respect to any non-consenting Investors, the Initial Beneficiary reserves the right to, in its sole discretion, consummate a cash buy-out of each such Investor's Interest.

Limitation on Authority of the Trustees

To protect the tax-free exchange status for the Investors under Section 1031, the Trust Agreement will prohibit the Trustees from taking any action if such action would "vary the investment" of the Investors as defined by Treasury Regulation Section 301.7701-4(c)(1) (any such action, a "Prohibited Action"). Specifically, the Trustees may not (a) reinvest money held by the Trust except as provided in the Trust Agreement, (b) renegotiate the terms of the Loan, enter into financing, renegotiate the Master Lease or enter into new leases except in the event of the bankruptcy or insolvency of a Master Tenant, (c) make repairs other than minor non-structural modifications of the Property, except as required by law, (d) after the formation and capitalization of the Trust, accept any additional capital contributions from any Investor, or any contributions from any prospective new investor, (e) acquire any parcel of real estate other than the Property, (f) acquire the Property more than 90 days after the first Investor acquires an Interest, (g) except as provided in (f) above, take any willful action to fail to close on the Property, or (h) take any other action that would in the opinion of counsel cause the Trust to be treated as a "business entity" for federal income tax purposes.

Authority of Investors

Investors will have no say in the operation and ownership of the Property. Nevertheless, before the Trust enters into a binding contract to sell or convey the Property, the Signatory Trustee will canvass the Investors regarding their views of the potential transaction. The Signatory Trustee will consider the Investors' views and opinions in good faith but will not be bound by their opinions, and the decision to sell or convey the Property will rest solely with the Signatory Trustee. Investors holding a majority of the Interests may remove a Trustee only if the Trustee has engaged in willful misconduct, fraud or gross negligence with respect to the Trust. Upon the resignation or removal of a Trustee, Investors holding a majority of the Interests may appoint a successor Trustee.

Cash Flow

The Investors will be entitled, based on their respective Interests in the Trust, to all operating cash flow of the Trust and all net cash proceeds from any sale or exchange of the Property, after reimbursement of the Trustees for expenses and amounts necessary to pay anticipated ordinary current and future expenses of the Trust, payment of debt service on the Loan, and payment of any applicable fees. Operating cash flow will be distributed on a quarterly basis. Amounts retained may be invested in liquid securities, short-term government obligations or certificates of deposit in banks or trust companies having a minimum stated capital of \$50,000,000.

Right to Transfer Interests

Investors may freely transfer all or any portion of their Interests to Accredited Investors, subject to compliance with applicable securities laws and the Trust Agreement, and the transferee's written acceptance and adoption of the Trust Agreement.

Property Rights

The Trust, through the Owner, and not the Investors, holds legal title to the Property. The Investors will not be entitled to share in the use of the Property or to any in-kind distribution of the Property.

Cash Contributions and Operating Deficiencies

The Trust Agreement provides that the Trust cannot receive further contributions of cash or other property from the Investors, and may not issue Interests to new investors. Accordingly, any obligations of the Trust to fund costs, including but not limited to capital expenses and excess real property taxes, utilities and insurance costs, must be satisfied out of the Reserve Accounts (as hereinafter defined).

Bankruptcy; Termination

Investors do not have liability for the debts or obligations of any other Investor, whether with respect to the Property or otherwise, and the Trust Agreement is not terminated by reason of the bankruptcy or insolvency of any Investor. If the Trust Property is subject to a casualty, condemnation or similar event, that is not adequately compensated for through insurance or otherwise sufficient to permit restoration of the Trust Property to the same condition as previously existed; or if the Signatory Trustee determines that the Investors are at risk of losing all or a substantial portion of their investment in the Interests, and the Signatory Trustee is prohibited from taking actions to cure or mitigate such events because such action would “vary the investment” of the Investors, the Signatory Trustee is directed to terminate the Trust by converting it into (or effecting the contribution of the Property to) a limited liability company (a “Springing LLC”). As a result of such transaction, the Investors would become members of the new Springing LLC, owning interests in the Springing LLC identical to their Interests in the Trust, and the Signatory Trustee would become the manager of the Springing LLC. As manager of the Springing LLC, the Signatory Trustee will be able to take actions to conserve and protect the Property that it could not have taken had it not terminated the Trust.

Unlike interests in the Trust, however, interests in the Springing LLC will not be treated as interests in real property for U.S. federal income tax purposes (including for purposes of a Section 1031 Exchange). Thus, if the Trust transfers the Property to the new Springing LLC, although such a transfer should not be subject to U.S. federal income tax pursuant to Code Section 721, it is unlikely that any of the Investors will be able to defer the recognition of gain under Code Section 1031 in a subsequent disposition of their interests in the Springing LLC and, as a result, may incur tax liability.

Tax Status of Trust

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

SUMMARY OF THE MASTER LEASE

General

The Owner, as landlord, and the Master Tenant, as Tenant, entered into the Master Lease for the Property. The basic terms and conditions of the Master Lease are summarized below. Each prospective Investor should carefully review the full text of the Master Lease uploaded to the Investor Data Room before purchasing an Interest. The Owner assigned the Lease to the Master Tenant.

Term

The Master Lease commenced as of the date the Initial Beneficiary contributed its limited liability company interests in the Owner to the Trust, and will terminate upon, the earlier to occur of, the sale of the Property, or ten (10) years from the commencement date thereof.

Rent

The annual rent ("Rent") payable by the Master Tenant to the Trust will initially be equal to \$1,700,000 and will increase by 1% per annum. All Rent will be paid in arrears in twelve equal monthly installments by the Master Tenant to the Owner, or its designee. The Master Tenant is wholly-owned by the Initial Beneficiary. **Accordingly, amounts due to the Trust from the Master Tenant under the Master Lease are substantially dependent on amounts received by the Master Tenant from the Tenant.** In addition, the Master Tenant will pay all Operating Costs and Impositions (as those terms are defined in the Master Lease).

Duties of the Master Tenant

The duties of the Master Tenant include, but are not limited to, property management, monitoring the performance of the Property, reviewing and evaluating financial aspects of the Property, overseeing real estate tax assessments, preparing financial reports for lenders (if applicable), managing accounts and administering distributions to the Trust. The Master Lease does not impose any obligations on the Master Tenant other than those expressly provided for in the Master Lease. Thus, all obligations with respect to the Property that are not the obligations of the Master Tenant or Tenant (pursuant to the Master Lease or Lease) are the obligations of the Trust.

SUMMARY OF THE ASSET MANAGEMENT AGREEMENT

General

The Trust entered into an Asset Management and Services Agreement (the “Asset Management Agreement”) with the Signatory Trustee. The Asset Management Agreement, a copy of which is uploaded to the Investor Data Room, will remain in effect and automatically renew for successive one-year periods until otherwise terminated.

Authority and Duties

In its capacity as an advisory to the Trust, the Signatory Trustee is responsible for managing the Trust’s day to day operations, including, but not limited to: reviewing all performance and financial information related to the Property; managing the Reserve Account (as defined below); providing bookkeeping and accounting services and maintaining the Trust’s books and records; administering monthly cash distributions; communicating with investors, brokers, dealers, financial advisors and custodians; and undertaking and performing all services or other activities necessary and proper to carry out the Trust’s investment objectives, including providing secretarial, clerical and administrative assistance for the Trust. If the Trust requests any additional services not specified in the Asset Management Agreement, the Signatory Trustee may agree to provide the requested services upon terms that are mutually agreeable to the Trust and the Signatory Trustee.

Term and Termination

The Asset Management Agreement may be terminated by either party upon ten (10) days prior written notice to the other party in the event of a material breach by the other party. The Asset Management Agreement will automatically terminate upon a sale or disposition of the Property.

Fees

The Trust will pay the Signatory Trustee an asset management fee, as provided in the Asset Management Agreement, on an annual basis in an amount equal to one half percent (0.5%) of the Contributed Value, paid in one-twelfth increments monthly.

Upon the sale of the Property, the Signatory Trustee will be entitled to receive a disposition fee of three (3.0%) of the gross sale price, and such fee may be increased to include any commissions or fees payable by the Trust or an Affiliate to any third party in connection with the sale of the Property.

The Signatory Trustee may decide, in its sole discretion, to be paid an amount less than the total amounts to which it is entitled under the Asset Management Agreement, and any excess amount that is not paid may, in the Signatory Trustee’s sole discretion, be waived permanently or, as applicable, deferred or accrued, without interest, to be paid at a later point in time.

SUMMARY OF THE PROPERTY MANAGEMENT AGREEMENT

General

The Master Tenant entered into a Property Management and Leasing Agreement (the “Property Management Agreement”) with SR Management Services, LLC, a Minnesota limited liability company (“SR Management”) and an Affiliate of the Signatory Trustee. The Property Management Agreement, a copy of which is uploaded to the Investor Data Room, will remain in effect and automatically renew for successive one-year periods until otherwise terminated.

Authority and Duties

In its capacity as property manager, SR Management is responsible for managing certain aspects of the operation of the Property. If the Master Tenant requests any additional services not specified in the Property Management Agreement, SR Management may agree to provide the requested services upon terms that are mutually agreeable to the Master Tenant and SR Management.

Term and Termination

The Property Management Agreement may be terminated by either party upon ten days prior written notice to the other party in the event of a material breach by the other party. The Property Management Agreement will automatically terminate upon the expiration or termination of the Master Lease.

Fees

The Master Tenant will pay SR Management a property management fee, as provided in the Property Management Agreement, on a monthly basis in an amount equal to Three Thousand and No/100 dollars (\$3,000.00) per month, with a three percent (3%) annual increase each year.

The Master Tenant will pay SR Management or its Affiliate, SR Construction Services, LLC, a Minnesota limited liability company, a construction supervision fee based upon the total cost of any tenant improvements, as provided in the Property Management Agreement. Such construction supervision fee shall be in the amount of ten percent (10%) of the cost of such tenant improvements up to \$5,000; plus seven percent (7%) of the total cost of such tenant improvements between \$5,000 and \$15,000; plus four percent (4%) of the total cost of such tenant improvements in excess of \$15,000.

SR Management may decide, in its sole discretion, to be paid an amount less than the total amounts to which it is entitled under the Property Management Agreement, and any excess amount that is not paid may, in SR Management’s sole discretion, be waived permanently or, as applicable, deferred or accrued, without interest, to be paid at a later point in time.

DESCRIPTION OF THE PROPERTY

Address:	4200 South 121st Plaza, Omaha, NE, 68137
Year built:	1996
Rentable Area:	409,500 SF
Land Area:	21.96 acres
Percent Leased:	100%
Parking:	421
Floors:	Two Stories
Footings/foundation:	Reinforced concrete slab.
Structure:	Concrete Tilt-Up
Roof:	Metal
Framing:	Concrete Tilt-Up
Exterior Walls:	Painted Concrete
Flooring:	Mix of carpet and tile in office areas. Polished concrete in warehouse areas.
Entries:	Mix of glass in metal frame and steel, interior doors are mix of wood/metal.
HVAC:	Entire Property is cooled using via HVAC, including warehouse areas.
Plumbing:	Standard plumbing for a distribution warehouse building.
Electrical:	3-phase electrical. Assumed adequate and to-code.
Elevators:	Standard pedestrian elevator with capacity of 3500 lbs.
Fire Protection and Security:	Fire sprinkler system and smoke alarms. Video surveillance and alarm system.
Open Permits:	No open permits or citations

Omaha Industrial Market Information

New construction space in Omaha is at the lowest level since Q3 2017.

- Vacancy increased slightly from 2.6% in the first quarter of 2024 to 2.7% in the second quarter. Vacancy remains lower than 3% for the tenth straight quarter and is 20 basis points lower than five years ago.
- The market absorbed 388,709 sq. ft. this quarter. By submarket, the Sarpy West submarket continues to be the most active with 275,861 square feet of absorption. Only one submarket, the South Central submarket, posted negative absorption for the quarter, with negative absorption of 26,700 square feet.
- Four properties, totaling 487,538 sq. ft. were delivered to the market this quarter. Over half of this space is located in the Sarpy West submarket, while over 41% is located in the northeast Omaha area. Over 58%, or 285,538 square feet, of this space delivered pre-leased.
- Average asking rents fell by 17 cents, or 1.5%, to \$7.31 per square foot on a triple net basis from \$7.42 in the previous quarter, but are 11 cents or 1.5% higher than one year ago.
- Four additional industrial properties totaling over 420,763 sq. ft. are under construction.
- 22.0% of this space is pre-leased. The amount of under construction industrial space in the Omaha market is at the lowest level since the third quarter of 2017.

Net Absorption:

Over 380,000 square feet were absorbed in the Omaha industrial market this quarter. The delivery of Rotella’s Italian Bakery’s new 225,000 square foot cold storage warehouse facility accounts for over 57% of the total absorbed space. This property is located in the Sarpy West submarket near 156th Street and Schram Road. A second new building for Papillion Sanitation, a 34,068 square foot warehouse located in Bellevue, delivered to the market. A build-to-suit 26,470 square foot property, occupied by Elite Glass, delivered near 108th Street and Giles Road. Additionally, there were nine additional move-ins 10,000 square feet and above.

Figure 1: Under Construction, Completed and Net Absorption

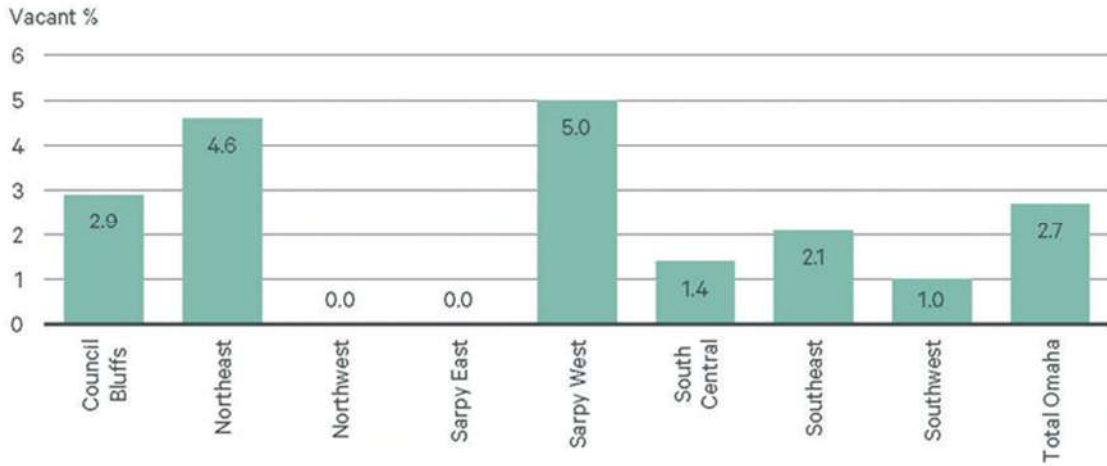


Source: CBRE Research Q2 2024

Construction:

In addition to three build-to-suit properties, one speculative property, a 202,000 square foot warehouse near Eppley Airfield, delivered to the market. Three speculative properties totaling 344,790 square feet are under construction in the market, with only 4.9% preleased. A fourth property, a 75,973 square foot build-to-suit property for LovelySkin, a local dermatological product distributor, is under construction.

Figure 2: Vacancy Rate by Submarket



Source: CBRE Research, Q2 2024

Figure 5: Overall Market Statistics by Submarket

Submarket	Building Count	Net Rentable Area (Sq. Ft.)	Vacancy Rate (%)	Net Absorption (Sq. Ft.)	Under Construction (Sq. Ft.)	Deliveries (Sq. Ft.)	Avg. NNN Asking Rate (\$/SF)
Council Bluffs	115	6,592,828	2.9	18,240	16,800	0	9.02
Northeast	212	10,687,295	4.6	7,608	0	202,000	6.99
Northwest	164	6,619,516	0.0	20,408	0	0	6.77
Sarpy East	39	1,886,744	0.0	36,168	0	34,068	12.50
Sarpy West	439	22,697,559	5.0	275,861	403,963	251,470	7.39
South Central	498	20,332,701	1.4	(26,700)	0	0	8.09
Southeast	184	8,146,296	2.1	22,438	0	0	6.30
Southwest	202	8,777,039	1.0	34,686	0	0	7.04
TOTAL OMAHA	1,853	85,739,978	2.7	388,709	420,763	487,538	7.31

Source: CBRE Research, Q2 2024

Figure 6: Overall Market Statistics by Vintage

Year Built	Building Count	Net Rentable Area (Sq. Ft.)	Vacancy Rate (%)	Net Absorption (Sq. Ft.)	Under Construction (Sq. Ft.)	Deliveries (Sq. Ft.)	Avg. NNN Asking Rate (\$/SF)
1949 and older	193	9,122,813	1.8	3,823	0	0	5.45
1950 - 1974	527	26,655,243	1.5	62,951	0	0	6.83
1975 - 1999	649	25,582,173	0.7	22,053	0	0	7.83
2000 and newer	484	24,379,749	6.6	299,882	420,763	487,538	7.60
TOTAL OMAHA	1,853	85,739,978	2.7	388,709	420,763	487,538	7.31

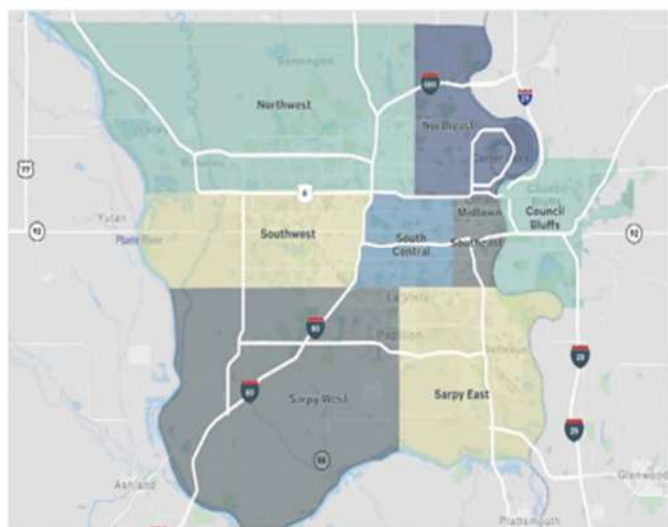
Source: CBRE Research, Q2 2024

Figure 7: Overall Market Statistics by Product Type

Submarket	Building Count	Net Rentable Area (Sq. Ft.)	Vacancy Rate (%)	Net Absorption (Sq. Ft.)	Under Construction (Sq. Ft.)	Deliveries (Sq. Ft.)	Avg. NNN Asking Rate (\$/SF)
Cold Storage	11	1,387,740	0.0	225,000	0	225,000	-
Distribution/Logistics	1,130	51,887,582	3.6	76,860	378,773	202,000	7.09
Food Processing	16	2,835,749	0.0	0	0	0	-
Heavy Manufacturing	22	4,924,790	0.7	0	0	0	5.95
Light Manufacturing	182	13,337,810	2.2	46,081	0	26,470	6.65
Other Industrial	135	2,905,276	0.8	4,300	0	0	7.25
R&D/Flex	330	7,447,716	2.2	36,468	41,990	34,068	11.31
Truck Terminal	27	1,013,315	0.0	0	0	0	-
TOTAL OMAHA	1,853	85,739,978	2.7	388,709	420,763	487,538	7.31

Source: CBRE Research, Q2 2024

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the "drop line" of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the "net" costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days.

Survey Criteria

Includes all competitive industrial buildings 10,000 sq. ft. and greater in size in the Omaha metropolitan area. Buildings under construction includes buildings which have begun development beyond initial site work.

Economic Summary:

Following a year of national expectation-busting growth, which has given us interest rates higher for much longer, it seems we will get a “soft landing” in 2024. Last year’s expansion was almost certainly driven by fiscal stimulus that far exceeded other western countries. Today, stimulus effects are fading, and higher interest rates continue to bite. There is evidence of this on the consumer front, wherein delinquency rates are trending upward, and credit growth is quickly slowing. The latter signals that consumption—a key driver of GDP growth in recent quarters—is poised to slow further. This partly explains why we believe growth will settle at the mid-1% range this year.

A more severe contraction in consumption would require the labor market to contract. Presently, conditions are merely softening. Both job openings and hours worked are falling. Also, most of the job growth is clustered in sectors that are immune to higher interest rates and receive at least some public funding, such as education, healthcare and government jobs. Leisure & hospitality has been a growth sector, but these cooling trends are evident here too. A soft landing in consumption and hiring point to further disinflation. Labor-intensive service costs are poised to soften and falling rents across the Sun Belt suggest weaker housing inflation is on the horizon. Fed rate cuts are downstream of disinflation, and a most welcome outcome within the commercial real estate space where higher financing costs and devaluations are triggering distress. The prospect of a rate cut this autumn will at least help ease rate volatility, put cap rates on a slight downward trajectory, and generate more common ground between buyers and sellers in coming quarters.

Each May, Berkshire Hathaway, headquartered in Omaha, hosts their annual shareholders meeting, the biggest annual gathering of value investors in the world. Earning the nickname “Woodstock for Capitalists”, this 3-day event brings thousands from all over the world to hear Warren Buffett’s wisdom in person. According to Deb Ward, executive director of Visit Omaha, “Berkshire Hathaway is a legacy event for the city. It exposes thousands of people from all over the world to Omaha. I think if you talk with any business in the city, they are likely impacted in some way by all the travelers who visit during this one weekend.”

Another huge event for Omaha is the NCAA Men’s College World Series (MCWS), hosted at Charles Schwab Field in downtown Omaha. Nebraska has been home to the MCWS for 74 years. Eight teams compete in a double-elimination tournament, bringing thousands of visitors to Omaha each June. In addition to the tournament, there’s a party-like atmosphere outside the stadium at Fan Fest, a free event that features batting cages, a ferris wheel, and entertainment. During the MCWS, the world’s largest youth baseball tournament, Omaha Slumbuster, takes place bringing 732 little league teams, young athletes and their parents to the area as well.

According to Visit Omaha and Tourism Economics, the MCWS and related activities impact the local economy by \$115 million. According to CoStar hospitality data, the MCWS has grown annual hotel revenue yields from \$16.8 million during its run in 2010 to \$34.9 million in 2023, doubling hotel revenue during the tournament, doubling revenue while supply has grown 21.2% during the same period. The 2024 MCWS broke attendance records with the highest average attendance of almost 24,800 visiting Charles Schwab Field for each game.

The Flatwater Free Press reported in May that the GDP in Douglas County, the largest county in the Omaha MSA, grew 9.2% in 2022 representing the largest GDP growth for any U.S. county with at least 500,000 residents. At the metro area, Omaha represented the 2nd largest GDP growth for the same period, second only to Austin, Texas. “Quick thinking and hard work at the beginning of the COVID-19 pandemic paid dividends for financial institutions and their customers when the economy fully reopened, business leaders said.”

In conclusion, vacancy remains under 3% in the local market even as demand slows. In response to weakened demand, under construction space is at the lowest levels since 2017 in the Omaha industrial market, however a healthy amount of net absorption, 388,709 square feet occurred during the 2nd quarter of 2024.

DESCRIPTION OF TENANT AND LEASE TERMS

Summary of the Lease and Rent Roll

Prospective Investors are strongly encouraged to review the Lease with the Tenant in its entirety, a copy of which is uploaded to the Investor Data Room. See “RISK FACTORS.” This summary highlights significant, but select and limited, terms of the Lease and is not exhaustive and is qualified in its entirety by reference to the full Lease, which is available in the Investor Data Room.

<u>Tenant Name</u>	<u>Property Sq. Ft.</u>	<u>Lease Type</u>	<u>Annual Rent</u>	<u>Lease Commencement Date</u>	<u>Anticipated Lease End</u>	<u>Rent Increases</u>	<u>Renewal Options</u>
Graphic Packaging International, LLC	± 409,500	Net Lease	\$1,732,577.00	9/1/2015	8/31/2030	2% per annum	Tenant has four 5-year options to extend the lease with at least 6 month’s written notice. Base rent during the option periods will be the then current market rent.

Graphic Packaging Holding Company (NYSE: GPK), headquartered in Atlanta, Georgia, designs and produces consumer packaging made primarily from renewable or recycled materials. An industry leader in innovation, the Graphic Packaging is committed to reducing the environmental footprint of consumer packaging. Graphic Packaging operates a global network of design and manufacturing facilities serving the world’s most widely recognized brands in food, beverage, foodservice, household, and other consumer products.

Please visit Graphic Packaging’s website (<https://www.graphicpkg.com/>) for additional information including the latest quarterly financial results.

ESTIMATED USE OF PROCEEDS

The following table sets forth the estimated sources and uses of proceeds of the Offering. The table reflects the present intentions of the Trust and an unforeseen change of circumstances may require the Trust to modify the information set forth below. The Initial Beneficiary and their Affiliates will receive substantial compensation and fees in connection with the Offering and the Property, as described in this Memorandum. Certain of the uses described below are estimates by the Trust.

Acquisition Sources		Total	PSF
Total Equity	49.0%	\$12,471,000	\$30.45
New Loan Proceeds	51.0%	\$12,960,000	\$31.65
Total Acquisition Sources	100.0%	\$25,431,000	\$62.10

Acquisition Uses		
Purchase Price	\$24,000,000 ⁽¹⁾	\$58.61
Property Condition Assessment	\$6,900	\$0.02
Phase I/File Review	\$4,400	\$0.01
Title Policy Premium	\$26,000	\$0.06
Survey	\$6,000	\$0.01
Acquisition Fees	\$720,000	\$1.76
Buyer Legal	\$125,000	\$0.31
Misc. Closing Costs	\$25,060	\$0.06
Initial Capital Reserve	\$330,000	\$0.81
Total Unleveraged Closing Costs	\$1,243,360	\$3.04
Leveraged Closing Costs		
Loan Origination Fees	\$143,640	\$0.35
Lender Legal	\$35,000	\$0.09
Marketing	\$5,000	\$0.01
Appraisal	\$4,000	\$0.01
Total Leveraged Closing Costs	\$187,640	\$0.46
Total Closing Costs	\$1,431,000	\$3.49
Total Acquisition Uses	\$25,431,000	\$62.10

(1) The Trust acquired the Property from the Initial Beneficiary for a contributed value of \$24,000,000.

FINANCIAL FORECAST

The following pro forma financial projections (the “Financial Forecast”) are intended to supplement the disclosures contained in this Memorandum. The Financial Forecast was prepared based upon the Trust’s assumptions, including current estimates of income and expenses relating to the operation of the Property. We believe these assumptions to be reasonable and material factors other than as set forth in this Memorandum could cause the financial information contained in the Financial Forecast to fail to be indicative of future operating results. However, if the assumptions with respect to the Property do not prove correct, the Property will have difficulty in achieving its anticipated results. Some of the other underlying assumptions may not materialize, and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the period covered are likely to vary from the Financial Forecast, and the variation may be material. As a result, an Investor’s rate of return may be higher or lower than that set forth herein. An Investor’s return on its investment in the Interests will depend upon economic factors and conditions beyond the Trust’s control.

The principal objectives of an investment in Interests will be to: (1) preserve the capital investment of the Investors; (2) realize income through the operation and sale of the Property; and (3) make quarterly distributions to the Investors in an amount estimated to average a 5.25% annual return on their investment, which is expected to be passive income and partially sheltered as a result of depreciation expenses. There is no assurance that any of these objectives will be achieved. See “RISK FACTORS.”

4200 MT Estimated Cash Flow						
Year	1	2	3	4	5	
Year Ended	7/31/2025	7/31/2026	7/31/2027	7/31/2028	7/31/2029	
SF						
Revenue						
Base Rental Revenue	\$4.30	\$1,761,453	\$1,796,682	\$1,832,616	\$1,869,268	\$1,906,653
Tax & Insurance Recoveries	\$1.83	\$749,930	\$892,604	\$919,382	\$946,963	\$975,372
Other Income						
Total Gross Potential Rent	\$6.13	\$2,511,383	\$2,689,286	\$2,751,998	\$2,816,231	\$2,882,026
Turnover and Absorption Vacancy		\$0	\$0	\$0	\$0	\$0
Effective Gross Revenue	\$6.13	\$2,511,383	\$2,689,286	\$2,751,998	\$2,816,231	\$2,882,026
Operating Expenses						
CAM	\$0.75	\$307,125	\$316,339	\$325,829	\$335,604	\$345,672
Insurance	\$0.20	\$81,900	\$84,357	\$86,888	\$89,494	\$92,179
Taxes	\$0.88	\$360,905	\$491,908	\$506,665	\$521,865	\$537,521
Property Management (NR)	\$0.09	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518
Operating Expenses	\$1.92	\$785,930	\$929,684	\$957,574	\$986,301	\$1,015,891
Net Operating Income	\$4.21	\$1,725,453	\$1,759,602	\$1,794,423	\$1,829,930	\$1,866,135
MT Capital Reserve	\$0.10	(\$40,950)	(\$42,179)	(\$43,444)	(\$44,747)	(\$46,090)
4200 MT Estimated Cash Flow		\$1,684,503	\$1,717,424	\$1,750,979	\$1,785,183	\$1,820,045
SRRT 4200 Industrial DST Estimated Cash Flow						
Master Lease Income		\$1,700,000	\$1,717,000	\$1,734,170	\$1,751,512	\$1,769,027
Interest Expense - Acq. Loan		(\$891,648)	(\$891,648)	(\$887,376)	(\$873,477)	(\$858,293)
Principal Payments - Acq. Loan		\$0	\$0	(\$167,320)	(\$213,829)	(\$229,014)
Annual Operating Reserve		(\$20,000)	(\$20,200)	(\$20,402)	(\$20,606)	(\$20,812)
Annual Legal & Filing Expense Estimate		(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)
Annual Tax Return Expense		(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)
Delaware Trustee Fee Estimate		(\$4,000)	(\$4,000)	(\$4,000)	(\$4,000)	(\$4,000)
Asset Management Fee Estimate	0.50%	(\$120,000)	(\$127,155)	(\$127,155)	(\$127,155)	(\$127,155)
Estimated Annual Cash Flow to DST		\$654,852	\$664,497	\$518,416	\$502,944	\$520,253

ACQUISITION AND FINANCING TERMS

The Initial Beneficiary originally acquired the Property on March 6, 2024, through a wholly-owned subsidiary, SRRT 4200 Industrial, LLC, a Minnesota limited liability company (“Owner”), from an unrelated third-party seller for \$22,800,000. Subsequent to its purchase of the property, an affiliate of the Initial Beneficiary entered into the Master Lease. The Trust subsequently acquired the Property from the Initial Beneficiary for a contributed value of \$24,000,000 (the “Contributed Value”), via a contribution transaction, pursuant to which the Initial Beneficiary contributed all of its limited liability company interests in the Owner to the Trust, in return for 100% of the Interests. Accordingly, the Initial Beneficiary is the sole beneficiary of the Trust as of the date of this Memorandum.

The proceeds of the Offering will be used to redeem on a dollar for dollar basis the Initial Beneficiary’s beneficial interest in the Trust (in addition to the fees and expenses in connection with the acquisition of the Property, closing of the Loan, and offering of the Interests), and to fund reserves, as the Interests are sold to Investors. The Trust will pay the Initial Beneficiary an acquisition fee in an amount equal to three percent (3%) of the Contributed Value. This fee is included in the Formation, DD and Financing Expenses. See “ESTIMATED USE OF PROCEEDS.”

The total cost to Investors of investing in Interests is approximately \$25,431,000, which consists of (i) the \$12,471,000 of Interests being sold pursuant to this Offering (the “Maximum Offering Amount”), which includes an initial reserve of \$330,000, as well as fees and expenses payable to the Initial Beneficiary, its Affiliates, and third parties in connection with the acquisition of the Property, closing the Loan, and the Offering of Interests, and (ii) the \$12,960,000 principal amount of Loan being assumed by the Trust. See “ESTIMATED USE OF PROCEEDS.”

Concurrent with becoming the sole member of Owner, the Trust assumed the existing third-party indebtedness secured by the Property in the principal amount of \$12,960,000 (the “Loan”) from Cobalt Credit Union (the “Lender”). The Loan is evidenced by a Business Loan Agreement, as amended by that certain Addendum and Amendment to Loan Documents, as further amended by that certain Second Addendum and Amendment to Loan Documents (collectively, the “Loan Agreement”) and is secured by a first priority mortgage recorded against the Property pursuant to a Commercial Security Agreement. The Loan has a term of approximately five (5) years from the date of the original acquisition of the Property. The interest rate on the loan is fixed at 6.88% and the Owner is required to make monthly, interest only payments for the first thirty (30) months of the Loan term. Although the Loan is nonrecourse to the Investors, the Initial Beneficiary has provided a carve out guaranty in connection with the Loan.

Accordingly, Investors will have no personal liability in connection with the Loan. However, upon an uncured event of default under the Loan, the Lender will have the right to foreclose on the Property. If this were to occur, Investors would likely lose part of their investment and may lose their entire investment in the Trust. For purposes of determining liabilities assumed with respect to the Property in connection with an Investor’s Interests, each Investor will be allocated a pro rata percentage of the Loan.

PLAN OF DISTRIBUTION

Capitalization

The Offering is for a maximum of \$12,471,000 of Interests. A minimum purchase of \$500,000 is required, except that the Trust has the right to waive the minimum purchase requirement.

The Trust intends to continue the Offering until the earlier of (i) the date on which all Interests have been sold, or (ii) one year from the date the first Investor acquires Interests in the Trust (which may be extended in the sole discretion of the Signatory Trustee).

Qualifications of Investors

Interests may be purchased only by prospective Investors who satisfy certain suitability requirements. See “WHO MAY INVEST.”

Sale of Interests

Prospective Investors must adhere to the subscription arrangements summarized in the section entitled “How to Purchase” in this Memorandum and in the following paragraphs of this section and as set forth in full in the Purchase Agreement, attached to this Memorandum as an exhibit. All proceeds for the purchase of Interests will be directly deposited in the Trust’s account. There is no assurance that all Interests will be sold, and the Trust reserves the right to refuse to sell Interests to any person, in its sole discretion, and may terminate this Offering at any time.

The proceeds of the Offering will be used to redeem on a dollar for dollar basis the Initial Beneficiary’s beneficial interest in the Trust (in addition to the fees and expenses in connection with the acquisition of the Property and offering of the Interests), and to fund reserves, as the Interests are sold to Investors.

Marketing of Interests

Offers and sales of Interests will be made on a “best efforts” basis by the Trust and its Affiliates. The Trust intends to sell the Interests primarily directly to Investors, and also to those Investors whose purchases are directed by a Registered Investment Advisor (an “Investment Advisor”). The Trust, in its sole discretion, may engage Broker-Dealers which are members of the Financial Industry Regulatory Authority, Inc. (“FINRA”) (each, a “Selling Group Member,” and collectively, the “Selling Group Members”) to offer and sell the Interests. In the event sales of Interests are made by Selling Group Members, such Selling Group Members may receive selling commissions (“Selling Commissions”) not exceeding 5.0% of the Maximum Offering Amount and a non-accountable marketing and due diligence allowance (the “Marketing/Due Diligence Reallowance”) equal to 0.5% of the Maximum Offering Amount. Investors whose purchase is made through a Selling Group Member may incur the Selling Commissions and the Marketing/Due Diligence Reallowance costs, resulting in a reduction in the amount of equity from those Investors going to the Trust and credited to the amount of Interests purchased by those Investors. For purposes hereof, an “Affiliate” of any person (i.e., a natural person, corporation, partnership, trust, unincorporated association or other legal entity) shall be any person directly or indirectly controlling, controlled by, or under common control with, another person. The Trust will reimburse the Initial Beneficiary for actual out-of-pocket costs and expenses incurred by the Initial Beneficiary in connection with the acquisition of the Property, closing of the Loan, and the Offering of Interests, including, but not limited to, the costs of organizing the Trust, marketing, legal, finance, property due diligence, and printing fees and expenses incurred in connection with this Offering (the “Formation, DD and Financing Expenses”), which Formation, DD and Financing Expenses are currently estimated to be approximately \$1,101,000 in the aggregate. The proceeds of the Offering will be used to redeem on a dollar for dollar basis the Initial Beneficiary’s beneficial interest in the Trust (in addition to the fees and expenses in connection with the acquisition of the Property, closing of the Loan, and offering of the Interests), and to fund reserves, as the Interests are sold to Investors. See “ACQUISITION AND FINANCING TERMS” and “ESTIMATED USE OF PROCEEDS.” The total aggregate amount of Selling Commissions, Marketing/Due Diligence Reallowance and Formation, DD and Financing Expenses (collectively, “Selling Commissions and Expenses”) will not exceed 10% of the Maximum Offering Amount. The Trust reserves the right to reallocate items of compensation set forth herein, provided that the maximum shall not exceed 10% of the Maximum Offering Amount. The Formation, DD and Financing Expenses are based on certain assumptions made by the Trust. The actual amount of these costs may be higher or lower than anticipated. If actual total costs are less than budgeted, the excess funds will be retained by the Trust. If actual expenses are more than estimated, the Initial Beneficiary will be required to pay for such excess amount. The Trust, in its sole discretion, may accept purchases of Interests net (or partially net) of the Selling Commissions and Expenses and other items of compensation due to Initial Beneficiary or an Affiliate in certain circumstances deemed appropriate by it, in its sole discretion.

In the event an Investor independently uses the services of an Investment Advisor and not a Broker-Dealer in connection with the purchase of Interests, no Selling Commissions and Expenses will be payable to such Investment Advisor with respect to the Investor’s purchase of those Interests, which will have the effect of increasing the amount of Interests purchased by the Investor. The payment of

any fees or similar compensation to such Investment Advisor will be the sole responsibility of the Investor, and the Trust will have no liability for that compensation. The proceeds to the Trust per Interest will not be affected by this waiver of Selling Commissions and Expenses.

Inquiries regarding subscriptions should be directed to:

SRRT 4200 INDUSTRIAL DST
c/o SRRT Properties, LP
901 North Third Street, Suite #100
Minneapolis, MN 55401
(612) 359-5849
erichardson@sr-re.com

Property Identification

You should consult your tax or financial advisors regarding the proper identification of the Interests for purposes of Section 1031. A Property Identification Form is uploaded to the Investor Data Room.

Limitation of Offering

The offer and sale of Interests offered herein are made in reliance upon exemptions from the Act and state securities laws provided pursuant to Rule 506(b) of Regulation D promulgated under the Act. Accordingly, the sale of Interests will be strictly limited to Accredited Investors and does not constitute an offer to sell Interests or a solicitation of an offer to buy Interests with respect to any person not satisfying those qualifications.

Ownership by the Initial Beneficiary

If the Trust sells less than all of the Interests during the offering period, the Initial Beneficiary or an Affiliate will own the remaining Interests. See “RISK FACTORS – Risks Relating to Private Offering and Lack of Liquidity.”

Acceptance of Investors

The Trust may accept or reject the Purchase Agreement of any prospective Investor for any reason. Any proposed purchase of Interests not accepted within 30 days of receipt shall be deemed rejected.

RISK FACTORS

AN INVESTMENT IN THE INTERESTS IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS SHOULD BE AWARE THAT IT IS IMPOSSIBLE TO PREDICT THE RESULTS FROM AN INVESTMENT IN INTERESTS. EACH PROSPECTIVE INVESTOR MUST CAREFULLY READ THIS MEMORANDUM PRIOR TO MAKING AN INVESTMENT AND SHOULD BE ABLE TO BEAR THE COMPLETE LOSS OF THIS INVESTMENT.

All prospective Investors should consider carefully, among other risks, the following risks, and should consult with their own legal, tax, and financial advisors with respect thereto prior to investing in Interests.

Real Estate Risks

Speculative Investment. No assurance can be given that the Investors will satisfy their investment objectives. No assurance can be given that the Investors will realize a substantial return (if any) on their investment or that they will not lose their entire investment in the Property. For this reason, prospective Investors should carefully read this Memorandum. **Each prospective Investor should consult with his or her attorney or business or tax advisors prior to making an investment in the Interests.**

General Risk of Investment in the Property. Master Lease payments to the Trust, and thus cash flow paid to the Investors, will be wholly contingent on the successful operation of the Property; therefore, the economic success of an investment in Interests will depend directly upon the Tenant and the Master Tenant paying rent pursuant to the Lease and the Master Lease. The operation of the Property will be subject to those risks typically associated with real estate investments. Vacancy that is not filled or is filled at less attractive terms can adversely affect operating results or render the sale of the Property difficult or unattractive. No assurance can be given as to the accuracy of certain assumptions related to the future occupancy of the Property by the Tenant or other replacement tenants or the ability of the Tenant or other tenants to pay rents or costs of improving and operating the Property, as these matters will depend on events and factors possibly beyond the control of the Trust. Such factors include continued validity and enforceability of the Lease, vacancy at the Property, the financial resources of the Tenant or successor tenants, commercial rent levels in the market, adverse change in local population trends, market conditions, neighborhood property values, local economic and social conditions, supply and demand for properties similar to the Property, competition from similar properties, environmental hazards and liabilities caused by the Tenant or by third parties, interest rates and real estate tax rates and assessments, governmental rules, regulations and fiscal policies, zoning restrictions and other easements, covenants and restrictions that affect title to the Property, the enactment of unfavorable environmental or hazardous material laws, labor and material costs, uninsured losses, effects of inflation and other risks. Further, given the total costs, expenses, and the acquisition fee the Trust will incur in this Offering, if the Trust decides to sell the Property, it would have to sell the Property at a substantially higher price to recover the original investment.

Risks of Landlord's Obligations under the Lease. Subject to the terms of the Lease, the Tenant is responsible for paying certain operating and capital expenses in connection with the operation, maintenance, repair, restoration, use or occupation of the Property, such as the costs, charges and assessments related to real estate taxes and assessments, charges relating to any easement or agreement maintained for the benefit of the Property, utilities, insurance, and the costs and expenses of cleaning and janitorial services. See "DESCRIPTION OF THE PROPERTY." Because the Master Lease will not impose any duties upon the Master Tenant with respect to the Property, the Trust will be responsible for costs that the Tenant is not responsible for that are associated with (a) maintenance, repair, restoration of the Property, including the structural portions of the improvements and the roofs of the improvements, (b) in some situations, repairs or violations of laws or title documents arising out of a landlord's acts or omissions, and (c) defects in construction or warranty claims under warranties and guaranties either from the landlord or the contractor who constructed the relevant real estate (collectively, the "Landlord Obligations"). See "DESCRIPTION OF THE PROPERTY." In the event that the costs of such Landlord Obligations are greater than projected due to unforeseen circumstances, then the returns to the Investors may be reduced. Further, if the Tenant defaults or if the Lease is otherwise terminated, the Master Tenant would become responsible for all of the Tenant's obligations under the Lease, including, but not limited to, the cost of all impositions, utilities, taxes, insurance and maintenance and repair with respect to the Property, as well as all other landlord obligations under the Lease. In the event the Master Tenant is required to indemnify the Tenant for the matters described in the Lease, then the returns to the Investors may be reduced.

Default by Tenant; Substantial Re-Leasing Costs. The Investors' cash flow may be impacted and the Trust may not be able to pay expenses related to the Property if the Tenant fails to pay rent when required to do so under the terms of the Lease, or if the Tenant abates rents payable under their Lease if permitted therein. Subject to the provisions of the Lease, the Tenant may be entitled to reduce or offset rent or terminate their Lease in a variety of situations, including but not limited to the following: the occurrence a casualty or condemnation; or a failure by landlord to complete certain construction or repairs or to comply with warranty claims. See "DESCRIPTION OF THE PROPERTY" and "RISK FACTORS – Real Estate Risks – Casualty and Condemnation." Any continuing default by the Tenant, whether monetary or non-monetary, may force the Master Tenant to terminate the Lease and seek a replacement tenant. However, if the Tenant has declared bankruptcy, the Master Tenant or Trust may not be able to recover the Property quickly from the bankruptcy trustee. In addition, if the Tenant's breach is not due to the Tenant's bankruptcy or insolvency, the Trust may be required to convert into an LLC in order to terminate the Lease and re-lease the Property. See "RISK FACTORS – Risks Relating to the Trust Structure – Limited Powers of Trustees; Risk of Termination of the Trust." Even if a lease is entered into with a replacement

tenant, the costs of entering into such a lease (and the costs, if any, of recovering the Property from the Tenant) would be borne by the Trust, not by the Master Tenant, and would be satisfied out of the Reserve Account and (if the Reserve Account is insufficient to satisfy such costs) by a reduction in rent payable to the Investors. Furthermore, the leased premises have been designed for the Tenant, and may not be marketable without substantial capital improvements or alterations, which would be borne by the Trust, and would reduce returns to Investors if the amount of such costs exceeds amounts remaining in the Reserve Account. It is also possible that the rents paid under any replacement lease or leases will be less than the existing rents, resulting in reduced cash flow to Investors. See “RISK FACTORS – Risks Relating to the Trust Structure – Limited Powers of Trustees; Risk of Termination of the Trust.” Moreover, if a lease in effect at the time the Trust markets the Property for sale is in default or provides for lower rent payments than are payable currently under the Lease, the sales price received by the Trust on a sale of the Property may be less than the amount it would have otherwise received.

Lease Contains an Options. The Lease contains provisions for the Tenant to exercise renewals. It is possible that the renewal rates when and if the option is exercised will be below the current market rates, thus the Trust may receive diminished cash flow for the Property. The existence of this option could serve to encumber the Property and may limit the Trust’s ability to finance the Property and/or diminish the value of the Property on a going forward basis. See “DESCRIPTION OF PROPERTY.”

Uninsured Losses/Liability. The Tenant is obligated under the Lease to obtain customary insurance against liability for personal injury and property damage and to maintain specified levels of insurance. However, there can be no assurance that such insurance will be sufficient to cover all potential losses or that particular risks that are currently insurable will continue to be insurable on an economical basis or that current levels of coverage will continue to be available. If, after the Term, a loss occurs that is partially or completely uninsured, and the amount of such loss (a) exceeds the amount of any reserves and (b) is not required by law to be borne by the Trust, the Trust may have to convert into (or otherwise transfer the Property to) an LLC in order to be able to fund the deficiency, or risk losing the Investors’ entire investment in the Property. In addition, there are certain types of losses (generally of a catastrophic nature, such as losses due to wars, earthquakes or acts of God) that are either uninsurable or not insurable on an economic basis.

Casualty or Condemnation. There can be no assurance that in the event of a fire or other casualty, the insurance maintained by the Trust will be sufficient to cover any particular liability or other unanticipated loss. In addition, the particular risks that are currently insurable may not continue to be insurable on an economical basis or the necessary levels of coverage may not continue to be available. If a loss occurs that is partially or completely uninsured, an Investor may lose his or her entire investment in the Property. The failure or refusal to rebuild the Property after a casualty or condemnation may result in a default under the Lease, which may permit the Tenant to terminate the Lease. In addition, in the event of a casualty or a condemnation, the Tenant has the right to abate rent and/or terminate the Lease under certain conditions.

Assignment and Subletting. The Tenant may be entitled to assign their interest in the Lease or sublet all or a portion of the Property, sometimes subject to certain restrictions. Although generally a Tenant would remain liable for all of its obligations under its Lease if the Tenant assigns its interest in the Lease or sublets all or a portion of its premises, the Master Tenant would exercise less control over who might occupy the Property during the term of the Lease. Upon such an assignment, the Master Tenant may not have an established relationship with the new tenant.

Environmental Liability. Federal, state and local laws may impose liability on a property owner for releases, or the otherwise improper presence on the premises, of hazardous substances without regard to fault or knowledge of the presence of such substances. A property owner may be held liable for environmental releases of such substances that occurred before it acquired title and that are not discovered until after it sells the property. If any hazardous substances are found at any time on the Property, the Trust may be held liable for all cleanup costs, fines, penalties and other costs regardless of whether it owned the contaminated Property when the releases occurred or the hazardous substances were discovered. Under one such law, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), a purchaser of property may qualify for certain defenses to, and exemptions from, liability under CERCLA by obtaining a new or updated Environmental Site Assessment that qualifies as an “All Appropriate Inquiry” under CERCLA, as long as the Assessment was conducted, or updated, within 180 days of the purchase of the property (the “180 Day Period”).

A Phase I Assessment does not involve any invasive testing and is limited to a physical walk through or inspection of the Property and a review of the related environmental and governmental records. Consequently, there are no assurances that any or all existing environmental problems or conditions with the Property would be exposed by a Phase I Assessment. It is possible that an environmental claim may be raised in such a manner that the claim could become enforceable against the Trust. Finally, it is possible that the existence of any environmental issues with the Property may make it more difficult, and perhaps impossible, to sell the Property.

The Trust has made no representations in the Purchase Agreement regarding any environmental matters and has not agreed to indemnify the Investors for any environmental liabilities. If losses arise from hazardous substance contamination that cannot be recovered from a responsible party, the financial viability of the Property may be substantially affected. In an extreme case, the contaminated Property may be rendered worthless, or the Trust may be obligated to pay cleanup and other costs in excess of the value of the Property. Initial Beneficiary has obtained a Phase I Environmental Site Assessment Report (“Phase I”) from Braun Intertec, dated January 30, 2024, which identified groundwater contaminated with volatile organic compounds on and surrounding the site from the

historical spills and releases of the adjoining property to the west. The Phase I also identified at least five groundwater monitoring wells, some which are located on the site. No readily available records or regulatory reports were made available to determine current conditions of the contaminated groundwater and whether any cleanup has been completed. The Phase I found no evidence of controlled recognized environmental conditions. The Phase I recommended that if the existing building is to be renovated or demolished, then a hazardous building materials survey should be conducted prior to commencement of those activities to identify the presence of asbestos-containing materials or regulated wastes that may require special handling, abatement, or disposal. The Phase I will be made available to prospective Investors upon request.

Strict Liability for Toxic and Hazardous Materials. Federal, state and local laws impose liability on a landowner for releases or the otherwise improper presence on the premises of hazardous substances. This liability is without regard to fault for, or knowledge of, the presence of such substances. A landowner may be held liable under federal law for hazardous materials brought onto the property before it acquired title and for hazardous materials that are not discovered until after it sells the property. Similar liability may occur under applicable state law. The Trust will not make any representations to the Investors as to the absence of hazardous substances at the Property. If any hazardous materials are found at any time within any portion of the Property in violation of law, the Trust will likely be liable for all cleanup costs, fines, penalties and other costs. This potential liability will continue after the Property is sold and may apply to hazardous materials present within the Property before the Trust acquired the Property. If losses arise from hazardous substance contamination that cannot be recovered from a responsible party, the financial viability of the Property may be substantially affected. In extreme cases, the Property may be rendered worthless, or worse, the Trust may be obligated to pay cleanup costs in excess of the value of the Property.

Obligation to Fund Excess TUI Costs. During the Term of the Master Lease, the Trust will be required to pay the Excess TUI costs, which are the taxes, utilities and insurance with respect to the Property in excess of the estimates set forth in the Financial Forecast. The Trust believes that its estimates of taxes, utility costs and insurance are reasonable. However, the costs for taxes, utilities and insurance are by their nature outside of the control of the Trust, and no assurance can be provided that there will be no Excess TUI Costs that the Trust (and therefore the Investors) will be required to bear through repayment from reserve accounts, if any, or by reduction of stated rent. On the other hand, if the TUI Costs are less than the amounts projected, the Master Tenant will pay such excess to the Trust as additional Rent.

Physical Condition of the Property. The Trust will not make any warranties or representations to the Investors regarding the condition of the Property. Initial Beneficiary obtained a Baseline Property Condition Assessment (“PCA”) dated March 1, 2024, prepared by Braun Intertec, which will be made available to prospective Investors upon request. The PCA noted the building is in “good condition and is well-maintained” and identified no immediate needs. Throughout a 10-year analysis period, the PCA estimated repairs/replacements totaling \$501,620, representing an average of approximately \$1.02 psf/year.

Earthquake, Hurricane and Flood Exposure. It is anticipated that the Trust or the Tenant will procure flood insurance, hurricane insurance or earthquake insurance where appropriate. Nevertheless, the Property may be damaged in the future by flooding and/or seismic activity, resulting in a partial or total loss of such Property. To the extent the Property is damaged by a flood, hurricane or an earthquake, Master Tenant, subject to the terms of the Lease, will be obligated to repair such damage, and the Investors returns may be reduced accordingly.

Acts of Terrorism. In light of the threat of terrorist actions against the United States, certain lenders have required additional insurance covering acts of terrorism without regard to the reasonableness of any related premiums or the likelihood that a particular property will be a terrorist target. There is no assurance that terrorism insurance coverage will be obtained, and, if obtained, there is no assurance that such insurance will be adequate or will continue to be available at affordable rates.

Competition. The Property competes with similar properties in its market. It is possible that the Tenant may move to existing or new properties in the surrounding area, which could adversely affect the financial performance of the Property. If competitors build new facilities that compete with the Property or offer space at rental rates below the rental rates charged at the Property at a time when there is vacancy in the Property, the Property may lose potential tenants and the Trust may be pressured to discount rental rates to retain tenants. The Property will also experience competition for real property investments from individuals, corporations and other entities engaged in real estate investment activities. Other properties and real estate investments may be more attractive than the Property.

Compliance with the Federal and State Disability Laws. While the Trust believes that the Property complies with the Americans with Disabilities Act of 1990 (the “ADA”) and state disability laws (collectively with the ADA, “Disability Laws”), they have not performed a complete audit for compliance with the Disability Laws. Consequently, there can be no assurance that Disability Law violations do not or will not exist at the Property. The Trust may be required to pay for improvements to effect compliance with the Disability Laws. Under the Disability Laws, public accommodations must meet certain federal and state requirements related to access and use by disabled persons. The Disability Laws 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. State and federal laws in this area are constantly evolving, and could evolve to place a greater burden on the Trust as the owner of the Property.

Interests Not a Diversified Investment. The Trust's investment consists of a single industrial building leased to a single tenant. Accordingly, the Property is not well diversified as to market, and an investment in the Interests will not be diversified as to asset type. Accordingly, a decrease in the demand for industrial space in the location of the Property could have a greater adverse effect on rental revenues from the Property than if the Trust owned a more diversified real estate portfolio. Demand for industrial space has been and could be adversely affected by weakness in the national, regional and local economies and changes in supply of or demand for similar or competing space in an area. To the extent that any of these conditions occur, they are likely to affect market rents for industrial space, which could cause a decrease in rental revenue from the Property. The poor performance of the Property would adversely affect the profitability of the Interests.

Form of Ownership. The Investors will own beneficial interests in a Delaware statutory trust that owns legal title to the Property. See "SUMMARY OF THE TRUST AGREEMENT." The Investors will have no ownership right in the Property and, pursuant to the Trust Agreement, will have no say in the operation or ownership of the Property.

Investors holding a majority of the Interests may remove a Trustee only if the Trustee has engaged in willful misconduct, fraud or gross negligence with respect to the Trust. Upon the resignation or removal of a Trustee, Investors holding a majority of the Interests may appoint a successor Trustee.

Determination of Purchase Price/Valuation. The Initial Beneficiary originally acquired the Property on March 6, 2024, from an unrelated third-party seller for a purchase price of approximately \$22,800,000. Additionally, the Trust has and will incur related transaction, offering and financing costs. See "SUMMARY OF THE OFFERING – Property – Acquisition Terms." The purchase price for Interests was determined unilaterally by the Trust and is not based on an arm's-length negotiation. The total cost to Investors of investing in Interests of \$25,431,000 includes the \$12,471,000 of Interests being sold pursuant to this Offering, which includes an initial reserve of \$330,000, as well as fees and expenses payable to the Initial Beneficiary, its Affiliates, and third parties, and includes the \$12,960,000 principal amount of Loan being assumed by the Trust. Therefore, the Investors should not expect that the price paid for their investment is reflective of the fair market value of the Property on a stand-alone basis. Investors are, however, acquiring Interests based on the existence of the Lease.

Lack of Audited Income Statements. The Trust did not obtain any audited income statements regarding the Property from the seller.

Physical Condition of the Property. The Trust will not guarantee the condition of the Property to the Investors. In fact, the Property was acquired by the Trust on an "as is" basis, with limited representations and warranties with respect to its condition. In turn, the Trust will not make any warranties or representations to the Investors regarding the condition of the Property, other than that it is aware of no breaches of the seller's representations and warranties contained in the applicable Property acquisition agreement. Any prospective Investor is welcome to perform an evaluation of the physical and structural condition of the Property as it wishes.

Title and Survey Matters. The Property is subject to various matters affecting title, including but not limited to, zoning ordinances, building codes and the matters set forth on the title commitments and surveys which will be provided to Investors upon request. Such matters may include, for example, easements, declarations, restrictions and other limitations on the right of the Trust to construct, develop and use the Property. In addition, other issues that are not disclosed by the title commitments or the surveys may affect title. In connection with the acquisition of the Property, the Owner obtained title insurance. In the event that a known or new matter arises with respect to the Property, however, there is no guaranty that the title insurance will sufficiently protect the Trust against all title issues affecting such Property, that the title company will pay any claim, that the title insurance is sufficient to cover any damages, or that the Trust will not incur costs in making a title insurance claim.

Risks Relating to the Trust Structure

Investors Have Limited Control over the Trust. The Trustees (and in particular the Signatory Trustee) are solely responsible for the operation and management of the Trust. The Investors have no right to participate in the management of the Trust, or in the decisions made by the Trustees. Even though the Investors will be canvassed prior to the Signatory Trustee entering into a binding contract to sell the Property, and even though such Signatory Trustee will take the opinions of the Investors concerning such prospective sale into account in good faith, the Signatory Trustee is under no obligation to make its decision with respect to such prospective sale in accordance with the wishes of the Investors. The Trustees may only be removed by Investors holding a majority of the Interests, and only if the Trustees have engaged in willful misconduct, fraud or gross negligence.

Limited Duties of Trustees. The Trustees do not owe any fiduciary or other duties to the Investors other than those provided for in the Trust Agreement. The Trust Agreement provides that the Trustees are individually answerable for their actions to the Investors only if, among other things, the Trustees engage in willful misconduct or gross negligence or any Prohibited Action, or they fail to use ordinary care in disbursing monies to Investors pursuant to the terms of the Trust Agreement. In addition, the Trustees may only be removed by Investors holding a majority of the Interests, and only if the Trustees have engaged in willful misconduct, fraud or gross negligence.

Limited Powers of Trustees; Risk of Termination of the Trust. To comply with Revenue Ruling 2004-86 regarding exchanges under Section 1031, the Trust Agreement prevents the Trustees from engaging in numerous actions, including (a) reinvesting the proceeds from the sale of the Property in other property, (b) taking advantage of favorable market conditions by renegotiating the terms of the Loan, entering into new financing, renegotiating the Master Lease or the Lease or entering into new leases except in the event of the bankruptcy or insolvency of a Tenant, (c) making other than minor non-structural modifications of the Property other than as required by law, (d) after the formation and capitalization of the Trust, accepting any additional capital contributions from any Investor, or any contributions from any prospective new investor, (e) acquiring any parcel of real estate other than the Property, or (f) taking any other action that would in the opinion of tax counsel cause the Trust to be treated as a “business entity” for federal income tax purposes. These restrictions severely limit the actions the Trustees can take on behalf of the Investors with respect to the Property. Accordingly, in order cure or mitigate certain events, the Trust may need to be terminated. In such a case, the Trust would be terminated by being converted into an LLC. See “SUMMARY OF THE TRUST AGREEMENT.” Although the Property would remain subject to the Lease (and the Master Lease) after such transaction, and the direct and indirect ownership interest of each Investor in the LLC would be identical to such Investor’s Interest in the Trust, the Investor would at such time no longer be considered to own, for federal income tax purposes, a direct ownership interest in the Property. Since an LLC that is directly owned by the Investors would be treated as a partnership for tax purposes, it may be difficult or impossible to do a tax-free exchange when the LLC disposes of the Property.

Risks Relating to Private Offering and Lack of Liquidity

Limited Transferability of Interests. Each Investor will be required to represent that he or she is acquiring Interests for investment and not with a view to distribution or resale, that such Investor understands that Interests are not freely transferable and that such Investor must bear the economic risk of investment in Interests for an indefinite period of time because: (i) Interests have not been registered under the Act or applicable state “Blue Sky” or securities laws; and (ii) Interests cannot be sold unless subsequently registered or exempt from such registration. There currently is no market for Interests nor is one expected in the future and Investors may not be able to liquidate their investment in case of an emergency. Further, the sale of Interests may have adverse federal income tax consequences.

FMV Option. While the Initial Beneficiary may choose to make an offer pursuant to the FMV Option, there is a possibility that the offer will not be made, or, if made, subsequently revoked. The Investors have no control over this decision or the timing of the Initial Beneficiary’s election to make the offer or to revoke it. Thus, each Investor must acquire an Interest with the understanding that it will be held for investment purposes, and such Investor may not ultimately receive partnership units or cash (if any) from the Initial Beneficiary in exchange for the Interest. It is more likely that the offer will be made if the Property held by the Trust is performing well. If the Property is not performing well or requires substantial infusions of additional capital, it is less likely that the offer will be made. The fact that the Interests are subject to the FMV Option could adversely affect the amount a third party would be willing to pay for the Property or an Interest. The FMV Option is exercisable at the fair market value of the Property and there are no guarantees that the future fair market value of the Interests will be equal to or greater than the price originally paid for the Interests.

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

Private Offering Exemption - Compliance with Requirements. Interests are being offered, and will be sold, to persons or entities in reliance upon a private offering exemption from registration or qualification provided in the Act and securities or “Blue Sky” laws and regulations in the states in which the Interests are being offered. If the Trust fails to comply with the requirements of such exemptions, Investors may have the right to rescind their purchase of the Interests. If such were the case and a number of Investors were successful in seeking rescission, the Trust would face severe financial demands that would adversely affect the Investors as a whole and, thus, the investment in the Interests by the remaining Investors.

No Minimum. There is no minimum amount of proceeds that must be raised or minimum number of Investors required in connection with this Offering. If the Trust is unable to sell all of the Interests and cannot redeem interests owned by the Initial Beneficiary and/or pay all costs of the Offering, the Initial Beneficiary will retain the unsold Interests in satisfaction of its advances to the Trust and the payment of various fees owed to the Initial Beneficiary in connection with the Offering. In such event, the ownership of the Interests by the Initial Beneficiary involves certain risks that potential Investors should consider, including, but not limited to, the fact that the full or even a significant amount of the Interests will not have been invested by disinterested investors after an assessment of the merits of the Offering.

Ownership of Interests by Initial Beneficiary or Their Affiliates. The Initial Beneficiary or their Affiliates might acquire Interests if the Trust does not sell all of the Interests during the offering period. The ownership of Interests by the Initial Beneficiary or

their Affiliates and the inability to sell all of the Interests involves certain risks that potential Investors should consider, including, but not limited to, the following:

- (1) the Initial Beneficiary or an Affiliate may have a conflict of interest because, for example, it might have an interest in disposing of the Property at an earlier date than other Investors so as to recover their investments in the Interests; and
- (2) the full Offering amount will not have been invested by disinterested investors after an assessment of the merits of the Offering.

Forward-Looking Statements. Some of the information you will find in this Memorandum may contain forward-looking statements, which are based on various assumptions which may not prove to be correct. For example, such assumptions include, but are not limited to, the continued growth and expansion of the local and regional economies, anticipated leasing schedules and budgeted capital improvement expenditures. The assumptions form the basis for various forecasts set forth in this Memorandum and, if incorrect, would make the forecasts incorrect. Since the assumptions are beyond the control of the Trust or the Investors, there can be no assurance that such assumptions, such forecasts or other forward-looking statements will accurately predict future events or the actual performance of the Property. Any forecasts included in this Memorandum or any other material or documents supplied by the Initial Beneficiary or their Affiliates or in connection with this Offering, including forecasts regarding future cash flow and financial performance, should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Memorandum. In addition, any forecasts and statements, written or oral, which do not conform to those contained in this Memorandum should be disregarded, and their use is a violation of law. No representation or warranty can be given that the estimates, opinions or assumptions made herein or therein will prove to be accurate. Prospective Investors should closely review the assumptions set forth in the forecasts.

The Trust intends to identify forward-looking statements in this Memorandum by using words or phrases such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “maybe,” “objective,” “plan,” “predict,” “project” and “will be” and similar words or phrases, or the negative thereof or other variations thereof or comparable terminology. These types of statements discuss future expectations or contain forecasts or estimates. When considering such forward-looking statements, you should keep in mind the risk factors outlined herein. These risk factors, or other events, could cause actual results to differ materially from those contained in any forward-looking statement.

Risks Related to the Financing

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

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

The Loan Documents contain various restrictive covenants, and if the Trust fails to satisfy or violate these covenants, the Lender may declare the Loan in default. The Loan Documents contain customary restrictive covenants, representations and warranties. If the Trust fails to satisfy or violates the covenants and agreements in the Loan Documents, then the Lender may declare the Loan in default. If the Trust fails to cure a default within the time periods set forth in the Loan Documents, the Lender will likely have several remedies available, including foreclosing on the Property or declaring all amounts due and payable. If the Lender were to foreclose on the Property or to declare the Loan due, the Investors could lose a portion of their investment in the Trust.

A failure to comply with reporting obligations of the Loan Documents may result in a default. The Loan Documents contain several covenants requiring the Owner to prepare various financial and operating reports and statements. These reports and

statements are to be prepared by the Signatory Trustee. If the Signatory Trustee fails to prepare these reports or statements, that failure will result in a default under the Loan Documents, which may ultimately result in a foreclosure under the Loan.

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

Reliance on Master Tenant. The Owner has entered into a Master Lease with the Master Tenant, the form of which is attached hereto. An affiliate of the Master Tenant will provide property management services, including, but not limited to, all property management functions, monitoring the performance of the Property, reviewing and evaluating financial aspects of the Property, overseeing real estate tax assessments, monitoring insurance requirements, preparing financial reports for lenders, managing accounts and administering distribution of Rent to the Trust. As a result, the prospective Investor should not purchase the Interests unless the prospective Investor is willing to entrust all such aspects of the assets and finances of the Property to the Master Tenant. If the Master Tenant fails to properly manage the property management and finances or other aspects of the Property, then the Investor's investment may be harmed, and the Investor may not achieve the expected return, if any, on the Interests.

Conflicts of Interest - Management of Property. The Master Tenant, the Signatory Trustee and any Affiliate hired to perform property management or asset management services may have conflicts of interest in allocating management time, services and functions between various existing enterprises and future enterprises. The Master Tenant, the Signatory Trustee and their Affiliates may be involved in other business ventures that may compete directly with the Property. See "CONFLICTS OF INTEREST."

The Signatory Trustee and the Master Tenant have a conflict of interest because both are Affiliates of the Initial Beneficiary. Therefore, it is highly unlikely that the Signatory Trustee will terminate the Master Lease unless the Signatory Trustee has been replaced.

Variance from Financial Forecast. There may be a variance from the Financial Forecast included herein due to a variety of factors, including, without limitation, any of the following:

- (1) Actual expenses could be in excess of projected expenses;
- (2) Collection of rent may occur in a subsequent year than the year projected due to the requirement or the failure of the Tenant to make rent payments when due; and
- (3) The Tenant may terminate the Lease early or fail to exercise renewal options.

Lack of Diversification. An Investor will acquire the beneficial Interests in the Trust, which will own the Property through the Owner. Thus, an investment in the Interests will not be diversified as to asset type.

Sale of the Property. The proceeds realized from the sale of the Property will be distributed to the Trust and then by the Trust among the Investors in accordance with their respective Interests, but only after repayment of the Loan and satisfaction of the claims of other third-party creditors, as applicable. The ability of any Investor to recover all or any portion of its investment will, accordingly, depend on the amount of net proceeds realized from such sale and the amount of claims to be satisfied therefrom. There can be no assurance that the Investors will receive any proceeds from sale of the Property.

Lack of Audited Financial Reports. There will not be any audited financial reports available to the Investors with respect to the Property. Thus, it may be costly and difficult to verify the accuracy of any financial reports detailing the operations of the Property.

Rent Received from Master Tenant Entirely Dependent on Rent Received by Master Tenant from Tenant. The Master Lease differs from many leases described as master leases. In general, except as described above in "Reliance on Master Tenant," the Master Lease does not impose any obligations on the Master Tenant that are not otherwise borne by the Tenant. In other words, all obligations with respect to the Property (other than those described above) that are not the obligations of the Tenant pursuant to the Lease is the obligations of the Trust and not of the Master Tenant. In particular, the amount of Rent distributed by the Trust to the Investors will depend upon the extent to which the amount of rent received by the Master Tenant from the Tenant exceeds the amounts to which the Trust is entitled under the Master Lease. Thus, Investors must rely entirely on the Tenant, and not the Master Tenant itself, as the sole source of cash to fund payments of Rent to the Trust.

Tax Risks

Acquisition of the Interests May Not Qualify as a Section 1031 Exchange. An Interest may not qualify under Section 1031 for tax-deferred exchange treatment and a portion of the proceeds from an Investor's sale of his or her property to be relinquished (the "Relinquished Property") could constitute taxable boot (as hereinafter defined). Whether any particular acquisition of an Interest will qualify as a tax-deferred exchange under Section 1031 (a "Section 1031 Exchange") depends on the specific facts involved, including, without limitation, the nature and use of the Relinquished Property and the method of its disposition, the use of a qualified intermediary and a qualified exchange escrow and the lapse of time between the sale of the Relinquished Property and the identification and

acquisition of the replacement property (the “Replacement Property”). Neither the Trust nor its Affiliates or agents are examining or analyzing any prospective Investor’s circumstances to determine whether such Investor’s acquisition of the Property qualifies as a Section 1031 Exchange. Moreover, no opinion or assurance is being provided to the effect that any individual prospective Investor’s transaction will qualify under Section 1031. Such examinations or analyses are the sole responsibility of each prospective Investor, who must consult with his or her own independent legal, tax, accounting and financial advisors before purchasing an Interest. If the factors surrounding a prospective Investor’s disposition of the Relinquished Property and his or her acquisition of the Interests do not meet the requirements of Section 1031, the disposition of the Relinquished Property will be taxed as a sale and the IRS will assess interest and possibly penalties for failure to timely pay such taxes.

With respect to issues of availability and timing, prospective Investors should be aware that merely designating an Interest in connection with an Investor’s Section 1031 exchange does not assure the Investor that there will be Interests available to purchase when the Investor executes the Purchase Agreement and causes his or her qualified intermediary to transfer funds to complete the purchase of the Interest.

On July 20, 2004, the IRS issued Revenue Ruling 2004-86, 2004-33 I.R.B. 191, which held that, assuming the other requirements of Section 1031 are satisfied, a taxpayer’s exchange of real property for an interest in the Delaware statutory trust described in the ruling (the “DST”) satisfies the requirements of Section 1031. The IRS based its holding on the following conclusions: (a) the DST is treated as an entity separate from its owners (and not as a co-ownership or agency arrangement), (b) the DST is an “investment” trust and not a “business entity” for federal income tax purposes, (c) the DST is a “grantor trust” for federal income tax purposes, with the holders of interest in the DST treated as the grantors of the DST, and (d) the holders of an interest in the DST are treated as directly owning an interest in real property held by the DST. Because the holding of Revenue Ruling 2004-86 is based on numerous factual assumptions regarding the DST, not all of which apply to the Trust, there can be no guaranty that an Interest will satisfy the requirements of Section 1031. However, the Trust Agreement has been drafted such that it is consistent with the material factual assumptions regarding the DST. See “FEDERAL INCOME TAX CONSEQUENCES.”

Property Identification Rules under Section 1031 are Strictly Construed. Investors contemplating a Section 1031 exchange must identify replacement property within 45 days after the date on which the property relinquished in the exchange is transferred. Such identifications generally must be made in a written document signed by the Investor and timely delivered to a qualified person (such as a qualified intermediary) and must contain an unambiguous description of the replacement property. See “PLAN OF DISTRIBUTION – Property Identification.” Although a form that may be used by Investors in identifying the Property is uploaded to the Investor Data Room, this form must be customized by each Investor in order to reflect the Interest such Investor is acquiring. The identification rules are strictly construed and a Section 1031 exchange may be disqualified if the property identification rules are not complied with or the deadlines set forth in the Regulations regarding the timing of property identifications are not met. Investors must consult with their own tax advisors concerning their satisfaction of the property identification requirements of Section 1031.

There can be no assurance that an Investor’s offer to acquire an Interest will be accepted. Accordingly, a prospective Investor pursuing a Section 1031 Exchange is strongly encouraged to (if and to the extent he, she, or it is otherwise permitted to do so under the particular identification rules applicable to him, her or it) “identify” the maximum number of alternative Replacement Properties and not to identify only his, her or its prospective interest in the Interests purchased in this offering.

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

Changes in Federal Income Tax Law. Congress may, at any time, change the law regarding 1031 exchanges, either by limiting them in some way, or by eliminating them altogether. Should such a change occur, the ability to exchange out of your investment in the Property could be limited or eliminated and you could be subject to substantial tax on the sale of the Property.

If the Trust is Converted into a Springing LLC, the Investors’ Ownership Interests in the Springing LLC will not Qualify for Tax Deferred Exchange Treatment under Section 1031. As indicated in “SUMMARY OF THE TRUST AGREEMENT,” in order to cure or mitigate certain events, the Signatory Trustee may be required to terminate the Trust by converting it into (or otherwise effecting the transfer of the Property to) a Springing LLC. 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 the like kind exchange provisions of Code Section 1031. **THUS, IF THE TRUST TRANSFERS THE PROPERTY TO THE SPRINGING LLC, IT IS UNLIKELY THAT ANY OF THE OWNERS WHO RECEIVE INTERESTS IN THE SPRINGING LLC WILL THEREAFTER BE ABLE TO DEFER THE RECOGNITION OF APPLICABLE GAIN UNDER SECTION 1031 (PROVIDED, HOWEVER, THAT THE SPRINGING LLC, IN ITS OWN CAPACITY, MAY BE ABLE TO ENTER INTO A SECTION 1031 EXCHANGE FOR ITS OWN ACCOUNT).**

If the Trust is converted to a Springing LLC, the Interests will be converted into membership interests in the Springing LLC, which cannot be transferred in an exchange that qualifies for tax deferred exchange treatment under Code Section 1031. If, after the

conversion of the Trust into the Springing LLC, the Investors wish to engage in a tax deferred exchange of their indirect interests in the Property, the Springing LLC's manager may be able to convert the Investors' interests in the Springing LLC into (or exchange them for) direct interests in the Property or adopt some other tax strategy to accomplish the tax deferred exchange. However, there can be no guarantee that this can or will be accomplished or that any such conversion or exchange would permit tax deferred exchange treatment under Section 1031.

INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF A TRANSFER AND THE EFFECT AND TAX IMPLICATIONS OF THE PROPERTY BEING HELD BY THE LLC RATHER THAN THE TRUST AND A BENEFICIAL OWNER HOLDING AN INTEREST IN A PARTNERSHIP RATHER THAN AN INTEREST IN A GRANTOR TRUST FOR U.S. FEDERAL INCOME TAX PURPOSES.

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COMPENSATION OF THE INITIAL BENEFICIARY, MASTER TENANT, SIGNATORY TRUSTEE AND AFFILIATES

The following is a description of compensation that may be received by the Initial Beneficiary, the Master Tenant, the Signatory Trustee and their Affiliates in connection with the Offering of Interests and the ownership, operation and sale of the Property. Other than as specified herein, no compensation will be paid to the Initial Beneficiary, the Master Tenant, the Signatory Trustee or their Affiliates. These compensation arrangements have been established by the Trust and are not the result of arm's-length negotiations. The amounts set forth below are estimates and are subject to change based upon the amount of proceeds raised and expenses incurred.

<u>Form of Compensation and Entity Receiving</u>	<u>Description</u>	<u>Estimated Amount of Compensation</u>
Offering and Organization Stage:		
Formation, DD and Financing Expenses Reimbursement:	The Initial Beneficiary will be reimbursed for expenses incurred for formation, due diligence, and financing expenses, including the Acquisition Fee of \$720,000.	Anticipated to be approximately \$1,101,000.
Sales Commissions:	A registered broker dealer may receive sales commissions, placement fees, and a dealer fee to cover marketing and due diligence expenses totaling up to 5.5% of the proceeds from the sale of Interests sold by them which may be reallocated in whole or in part to the Selling Group Members. As of the date of this Memorandum, the Trust has not engaged any broker dealer to sell the Interests.	The estimated commission to be paid is \$0. The maximum allowable commissions that could be paid are approximately \$686,905.
Operating Stage:		
Management Fees:	The Signatory Trustee will receive an asset management fee, as provided in the Asset Management Agreement, on an annual basis in an amount equal to one half percent (0.5%) of the Maximum Offering Amount, paid in one-twelfth increments monthly.	The Asset Management Fee, on an annual basis, will be approximately \$120,000.
	SR Management will receive a property management fee, as provided in the Property Management Agreement, on a monthly basis in an amount equal to Three Thousand and No/100 dollars (\$3,000.00) per month, with a three percent (3%) annual increase each year.	The Property Management Fee, on a monthly basis, will initially be approximately \$3,000.
	SR Management or its Affiliate, SR Construction Services, LLC, a Minnesota limited liability company, may receive a construction supervision fee based upon the total cost of any tenant improvements, as provided in the Property Management Agreement. Such construction supervisions fee shall be in the amount of ten percent (10%) of the cost of such tenant improvements up to \$5,000; plus seven percent (7%) of the total cost of such tenant improvements between \$5,000 and \$15,000; plus four percent (4%) of the total cost of such tenant improvements in excess of \$15,000.	Impractical to determine Construction Supervision Fee at this time. The amount of the fee will depend on the total cost of any tenant improvements.

Property Disposition Stage:

Disposition Fee:

Upon the sale of the Property, the Signatory Trustee will be entitled to receive a disposition fee of three (3.0%) of the gross sale price, as such fee may be increased to include any commissions or fees payable by the Trust or an Affiliate to any third party in connection with the sale of the Property. Impractical to determine at this time. The amount of the fee will depend on the sale price of the Property.

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FIDUCIARY DUTIES OF THE INITIAL BENEFICIARY, TRUSTEES AND MASTER TENANT

Except under certain terms of the Trust Agreement, the Initial Beneficiary, Trustees or the Master Tenant will have no fiduciary duty to the Investors even though certain decisions or actions they take might be viewed as being in conflict with the interests of the Investors. The Trust Agreement provides that the Trustees are liable to the Investors for their actions only if, inter alia, the Trustees engage in willful misconduct or gross negligence or any Prohibited Action, or they fail to use ordinary care in disbursing monies to Investors pursuant to the terms of the Trust Agreement.

CONFLICTS OF INTEREST

The Initial Beneficiary and their Affiliates will act as a Trustee, Master Tenant, advisor, and/or controlling party of other limited liability companies, partnerships, trusts and other entities or arrangements involved in the real estate industry from time to time. Such parties may presently own properties similar to the Property, which may compete with the Property, and may acquire additional properties in the future that may also compete with the Property. Such parties also have existing responsibilities and, in the future, may have additional responsibilities, to provide management and services to a number of other entities. The Investors will not have any interests in any such future entities or properties. The Property could be adversely affected by these conflicts of interests.

The principal areas in which conflicts may be anticipated to occur are as follows:

Affiliated Ownership and Management

The Initial Beneficiary, the Master Tenant and the Signatory Trustee are affiliated through common management and ownership. If there are not sufficient Investors interested in acquiring the Interests, the Initial Beneficiary or an Affiliate may own Interests. The interests of the Initial Beneficiary may not always be consistent with those of the Investors. Such common ownership may lead to a conflict of interest between the entities' and persons' various roles as owners or officers, respectively, of the Initial Beneficiary, the Master Tenant and the Signatory Trustee, including conflicts with the Investors regarding decisions related to the Lease and the Property.

Competition for Tenants

The Initial Beneficiary and their Affiliates may acquire other properties similar to the Property in the same market. See "RISK FACTORS – Real Estate Risks – Competition."

Obligations to Other Entities

The Initial Beneficiary, the Master Tenant, the Signatory Trustee, and their respective principals, owners and executive officers will (1) have conflicts of interest in allocating management time, services and functions among the various entities with which they are engaged and others that may be organized in the future, and (2) will devote only so much time as they, in their sole discretion, deem to be reasonably required for the proper management of the Trust and the Property, respectively. Such parties believe they have the capacity to discharge their responsibilities, notwithstanding participation in other present and future investment programs and projects.

Interest in Other Activities

The Initial Beneficiary and its respective owners, principals and executive officers and Affiliates may engage for their own account, or for the account of others, in other business ventures. Investors will not be entitled to any interests in such other activities.

Resolution of Conflicts of Interest

The Initial Beneficiary has not developed, nor does it expect to develop, any formal process for resolving conflicts of interest.

Initial Beneficiary May Retain Interests

The Initial Beneficiary may retain Interests in the Trust. The financial obligations and interests of the Initial Beneficiary may not always be consistent with those of the other Investors by virtue of their affiliation with the Master Tenant and the Signatory Trustee. See "RISK FACTORS – Risks Relating to Private Offering and Lack of Liquidity – Ownership of Interests by Initial Beneficiary and Affiliates."

MANAGEMENT

The Initial Beneficiary

SRRT Properties, LP, a Delaware limited partnership, is a co-sponsor of the Offering of Interests. The Initial Beneficiary's key principals have experience in owning, acquiring, managing, developing and financing real estate.

The Initial Beneficiary and its affiliates engage in various aspects of real estate ownership and investment, including, but not limited to, the ownership, development, operation and syndication of commercial real estate projects. The Initial Beneficiary was formed on September 15, 2014 for operating the UPREIT partnership of SR Realty Trust, Inc., a private real estate investment trust. SR Realty Trust, Inc. is the general partner of the Initial Beneficiary.

Management of SR Realty Trust, Inc.

The key officers and personnel of SR Realty Trust, Inc. are as follows:

Bradley J. Schafer, Director, Chief Executive Officer

Bradley J. Schafer serves as a Director and Chief Executive Officer of SR Realty Trust, Inc. Mr. Schafer is also a Founding Principal of Schafer Richardson and has over 37 years of commercial real estate experience. Prior to forming Schafer Richardson, Mr. Schafer was Vice President with Griffin Real Estate Company as a leasing and investment specialist for 10 years. For Schafer Richardson, Mr. Schafer focuses on debt/equity capital formation, syndication, investment selection, and strategic planning. He is a member of the National Association of Realtors, the Minneapolis Association of Realtors, and the Urban Land Institute.

N. Christopher (Kit) Richardson, Director, Secretary

N. Christopher (Kit) Richardson serves as a Director and Secretary of SR Realty Trust, Inc. Mr. Richardson is a Founding Principal of Schafer Richardson and a Licensed Architect with over 45 years of experience in commercial real estate, development, and architecture. Prior to forming Schafer Richardson, he was Vice President with Griffin Real Estate Company as an investment and land sales specialist for eight years and also worked in the office of Ralph Rapson & Associates. Mr. Richardson specializes in design, development, and construction services, and leads many of the entitlement efforts for the development team. He is a member of the American Institute of Architects, Urban Land Institute, Sensible Land Use Coalition, Lambda Alpha Minnesota, and a former member of the Minneapolis Park and Recreation Board's Tree Advisory Commission. Kit Richardson is Evan Richardson's father.

Steven G. Norcutt, Director, President and Chief Operating Officer

Steven G. Norcutt serves as a Director, President and Chief Operating Officer of SR Realty Trust, Inc. Mr. Norcutt joined Schafer Richardson in 2009 as a Principal and Chief Operating Officer. Mr. Norcutt has over 35 years of experience in financial management, portfolio management and mortgage origination. He has also been involved in developing a residential construction company, as well as land development and commercial real estate development. Prior to joining Schafer Richardson, Mr. Norcutt held senior management positions with several mortgage origination operations. He served as a Senior Vice President/Portfolio Manager of Structured Finance with ReliaStar (ING) for over 13 years and managed a \$3.5 billion portfolio. Mr. Norcutt serves on the Board of Directors of a NASDAQ member firm called New York Mortgage Trust (NYMT). With NYMT he chairs the Investment Committee and serves on the Audit Committee. Mr. Norcutt is member of the Urban Land Institute, National Association of Office and Industrial Properties, Sensible Land Use Coalition, and the Mortgage Bankers Association.

Gregory J. Springer, Chief Financial Officer and Treasurer

Gregory J. Springer serves as the Chief Financial Officer and Treasurer of SR Realty Trust, Inc. Mr. Springer joined Schafer Richardson in 2014 as Chief Financial Officer and oversees the financial and administrative aspects of the business. His responsibilities at Schafer Richardson include accounting, planning, treasury, risk management, human resources, employee benefits, technology and transaction processing. Before joining Schafer Richardson, Mr. Springer served as the Chief Financial Officer of a privately-held distributor of mid-range computer solutions, and previously held senior financial positions at United Health Group and Arthur Andersen LLP. Mr. Springer has developed an expertise in a broad array of financial and operational activities with a strong orientation to effective business processes, policies and controls. He is a licensed Certified Public Accountant (inactive) and has extensive experience in public reporting, acquisitions and integrations, and banking relationships.

Evan C. Richardson, Senior Vice President

Evan C. Richardson currently serves as Senior Vice President of SR Realty Trust, Inc. Mr. Richardson joined Schafer Richardson in 2013. Mr. Richardson guides Schafer Richardson's efforts to structure and capitalize new initiatives, investment funds, single-asset partnerships and joint venture activities. Mr. Richardson also leads Schafer Richardson's commercial real estate acquisition and underwriting activities. Prior to joining Schafer Richardson, Mr. Richardson was a member of the Capital Markets Group at Cushman & Wakefield/NorthMarq (formerly NorthMarq). During his tenure, the Capital Markets Group listed, sold or consulted on more than nine million square feet of commercial real estate representing approximately three quarters of a billion dollars of aggregate value. Mr. Richardson is a member of the NAIOP and is a board member for the Sanneh Foundation. Evan is Kit Richardson's son.

James W. Hansen, Independent Director

James W. Hansen was named a member of the Board of Directors of SR Realty Trust, Inc. in November 2018 and has been an investor in SR Realty Trust, Inc. since its formation. Mr. Hansen was President of Hill-Murray High School from 2015-2021 and is currently a partner in Bootstrappers.mn a venture advisory firm and a member of the board of Tolomatic, an automatic technology company and SignZone, a private equity backed marketing products company. Prior to joining Hill-Murray he was Chairman of the Board of JAMF Holdings (Nasdaq:JAMF) from 2006 until its sale in 2017. He was Chairman of Reliable Property Services from 2007 until its sale to Asplundh in 2015. Mr. Hansen was formerly Chairman and CEO of E.Mergent, a publicly-traded technology company that was acquired in 2002. Previously, he has been President of a privately held medical services company that was sold to a NYSE company, Senior Vice President and General Manager of the Pension Division of Washington Square Capital, a ReliaStar (NYSE: ING) Company; Vice President of the Apache Corporation (NYSE: APA); and a Management Consultant for BCG. He also served as lead director on the Medtox (NASDAQ:MTOX), Kinnard Investments (NASDAQ: KINN, Ciprico (Nasdaq:CPCI), UBIQ Software and The Braas Company Board of Directors. Mr. Hansen has been recognized as a Distinguished Alumni of the Year by the University of Minnesota and taught at the University of St. Thomas from 1984 until 2015. He twice was named Teacher of the Year by the Graduate Students. Mr. Hansen has been a strong supporter and contributor to civic and non-profit organizations including having served on the Jaycees, Chamber of Commerce, Mahtomedi School Board, Freshwater Society, Solid Ground and Mindependent Board of Directors.

David W. Smith, Independent Director

David W. Smith was named a member of the Board of Directors of SR Realty Trust, Inc. in November 2018. Mr. Smith invested in Buddy's Kitchen, Inc. in September 2007 and became its CEO at that time. After a decade of rapid growth, Buddy's was sold in late 2017 to a publicly-traded Canadian food company, with Mr. Smith remaining as its CEO until 2019. Prior to Buddy's, Mr. Smith led Mark VII Equipment as CEO and was a founding manager of Nationwide Electric - both private equity-backed firms that concluded with successful exits. Earlier in his career, he led companies in the manufacturing and commercial real estate industries. Mr. Smith serves on a number of boards in both the for-profit and non-profit worlds.

Peter Bell, Independent Director

Peter Bell was named a member of the Board of Directors of SR Realty Trust, Inc. in August 2019. Mr. Bell is the former Chair of the Metropolitan Council, which is a cabinet-level position appointed by the Governor of the State of Minnesota he held for eight years. Prior to his position at the Metropolitan Council, Mr. Bell was executive vice president of Publishing & Educational Services (PES) at the Hazelden Foundation in Center City, Minnesota. Before joining Hazelden, Mr. Bell was the cofounder and, for 15 years, executive director of the Institute on Black Chemical Abuse. He was appointed to serve on a commission to the White House Conference on a Drug-Free America. He has written numerous books on chemical dependence, and for his pioneering effort, was named ABC Evening News Person of the Week in 1989. In addition to his work in chemical dependence, Mr. Bell served for five years as executive vice president of corporate community relations of TCF Financial Corporation. Mr. Bell has or currently serves on the board of directors of numerous local and national social, civic and business organizations, including TCF Bank, The Citizens League, Center of the American Experiment, CommonBond, TCRISE! and was a founding member and chair of the Center for New Black Leadership, based in Washington, D.C. Mr. Bell was a member of the Board of Regents for the University of Minnesota from 2002 to 2007. He was also appointed to the transition teams for both Governor Ventura, Governor Pawlenty and Mayor Hodges. Mr. Bell appears frequently on the editorial pages of the Star Tribune, provides commentary for Almanac, a statewide public affairs television program and often provides political and social commentary for MPR.

Jeffrey L. Wright, Independent Director

Jeffrey L. Wright was named a member of the Board of Directors of SR Realty Trust, Inc. in August 2019. Mr. Wright runs a business advisory practice that focuses on strategic financial consulting. In addition to SR Realty Trust, he currently serves on the board of directors of Hawkins, Inc., Lube-Tech, LLC, and E. A. Sween Co. Previously, he was EVP and CFO for 16 years at G&K Services, Inc., a \$900 million publicly-traded work apparel and facility management services company. In addition to oversight of all financial aspects of G&K, at various times he managed the Information Technology and Human Resources functions, and also ran the Direct Sales and Cleanroom operating divisions. He played a lead role in negotiating and integrating over 40 acquisitions. During the last 5

years of his tenure, he also served on G&K's board of directors. Prior to G&K, he was an executive with BMC Industries, Inc., Employee Benefit Plans, Inc. and Arthur Andersen LLP. Mr. Wright is a graduate of the University of St. Thomas. Mr. Wright is also active in the community, previously serving on the board of directors of the Greater Twin Cities United Way and was Chair of the Audit Committee. He also served as President of the G&K Services Foundation and was Chairman of the Textile Rental Services Association.

Signatory Trustee

SR DST Trustee, LLC, a Minnesota limited liability company (the "Signatory Trustee"), will be the Signatory Trustee of the Property. The Signatory Trustee has no operating history and limited capital. Schafer Richardson, LLC, a Minnesota limited liability company is the sole member of the Signatory Trustee. See "RISK FACTORS - Risks Relating to the Management of the Property - Limited Capital of the Signatory Trustee; Initial Beneficiary Financial Condition."

Master Tenant

4200 Industrial Master Tenant, LLC, a Minnesota limited liability company, will be the Master Tenant of the Property. The Master Tenant has no operating history and limited capital. The Initial Beneficiary is the sole member of the Master Tenant. See "RISK FACTORS - Risks Relating to the Management of the Property - Limited Capital of the Master Tenant; Initial Beneficiary Financial Condition."

RESTRICTIONS ON TRANSFERABILITY

There are restrictions on the transferability of Interests imposed by state and federal securities laws. The Interests offered hereby have not been registered under the Act nor by the securities regulatory authority of any state. The Interests may not be resold unless they are registered under the Act and registered or qualified under applicable state securities laws or unless exemptions from such registration and qualification are available. There currently is no market for the Interests and none is expected to develop. Prospective Investors should view the Interests as being a long-term investment. In addition, a sale of the Interests must be consummated in accordance with the Trust Agreement.

FEDERAL INCOME TAX CONSEQUENCES

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

Classification for Purposes of Section 1031

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

An Interest must constitute an interest in real estate to qualify for exchange treatment under Section 1031. The determination of whether an Interest will be treated for federal income tax purposes as ownership in real estate and not as a security or an interest in a business entity is dependent upon all of the surrounding facts and circumstances. On July 20, 2004, the IRS issued Revenue Ruling 2004-86, 2004-33 I.R.B. 191, which held that, assuming the other requirements of Section 1031 are satisfied, a taxpayer's exchange of real property for an interest in the DST satisfies the requirements of Section 1031. The IRS based its holding on the following conclusions: (a) the DST is treated as an entity separate from its owners (and not as a co-ownership or agency arrangement), (b) the DST is an "investment" trust and not a "business entity" for federal income tax purposes, (c) the DST is a "grantor trust" for federal income tax purposes, with the holders of interest in the DST treated as the grantors of the DST, and (d) the holders of interests in the DST are treated as directly owning interests in real property held by the DST. Revenue Ruling 2004-86 listed certain specific matters and trust provisions which would, in the IRS's view, cause an interest in the DST to not qualify for a Section 1031 exchange. It also

contains numerous facts regarding the DST and the transactions, and did not indicate which facts were key factors in the Ruling. In addition, the Ruling did not describe many other features of the trust agreement or other factual matters that might affect the IRS analysis. As a result, there are some aspects of the Trust which differ from Revenue Ruling 2004-86 or are not addressed therein.

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

- whether a prospective Investor has properly identified the Replacement Property within the 45 day identification period;
- whether the Relinquished Property qualified as being held for investment purposes or in a trade or business;
- whether a prospective Investor will fall within the deferred exchange safe harbor rules by properly using a “qualified intermediary” and a “qualified exchange escrow”;
- whether a prospective Investor acquiring the Property and attempting to do a reverse exchange meets all the qualifications spelled out in Revenue Procedure 2000-37, 2000 2 C.B. 308 (September 18, 2000);
- whether some portion of the Property is not “real property” as opposed to “personal property”; and
- whether any amounts paid by, or deemed paid by, the prospective Investors with respect to certain fees, costs and expenses of the Offering, and funding of the Reserve Account will be deemed to constitute other consideration received in the exchange.

Therefore, a prospective Investor must consult his or her own tax advisor regarding an acquisition of an Interest and the qualification of his or her transaction under Section 1031 of the Code. A prospective Investor may not rely on the Trust, the Initial Beneficiary or their Affiliates or its agents, including their accountants, for any tax advice regarding the treatment of his or her transaction under Section 1031 of the Code. For the same reason, a prospective Investor may not rely on any statement made in this Memorandum regarding the qualification of his or her purchase of an Interest under Section 1031. No representation or warranty of any kind is made with respect to the IRS’s acceptance of the qualification of a proposed Section 1031 exchange.

Receipt of Boot

If, in a Section 1031 exchange, money is received or deemed received in addition to the like-kind property (referred to as “boot”), then gain on the Relinquished Property is recognized up to the amount of boot. Although we are not aware of direct authority on point, prospective Investors should be aware that the IRS may take the position that bridge financing or certain costs paid or deemed paid from money received from the sale of the Relinquished Property are boot and, therefore, income to the Investors. For example, the IRS may conclude that some amounts paid in connection with the Offering of the Interests constitute boot received by the Investors and not a reinvestment in real estate.

Tax Deficiency, Penalties and Interest

If an IRS audit disqualifies an Investor’s proposed Section 1031 exchange, the Investor will be taxed on his or her gain on the sale of the Relinquished Property, and the IRS will assess interest and could assess penalties and interest on the tax deficiencies associated with any failed Section 1031 exchange. The Code provides for penalties relating to the accuracy of a tax return equal to 20 percent of the portion of the underpayment to which the penalty applies. The penalty applies to any portion of any understatement which is attributable to (i) negligence, (ii) any substantial understatement of income tax or (iii) any substantial valuation misstatement. Additional interest may be imposed on underpayments relating to tax shelters.

Taxable Income

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

Net Income and Loss of Each Investor

Each Investor will be required to determine his or her own net income or loss from the Property for income tax purposes. Certain expenses of the Property, such as depreciation and any interest expense attributable to refinancing proceeds which are distributed to the Investors, will be different for different Investors. The Signatory Trustee will keep records and provide information about expenses and income for each Investor. An Investor, however, will be required to keep separate records and to separately report his or her income.

Tax Impact of Sale of Property

If the Property is sold or otherwise disposed of, the Investors will likely recognize taxable income. An Investor will have taxable income to the extent that the amount realized by such Investor exceeds his or her tax basis in his or her Interest.

State and Local Laws

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

EXPLANATION OF SCOPE OF TAX DISCUSSION

Please note that the summary set forth in “Federal Income Tax Consequences” and all other discussions of federal income tax matters set forth in this Memorandum have been written to support the marketing of the Interests, and are not intended to be used and cannot be used by any Investor for purposes of avoiding penalties that may be imposed under federal tax law. All prospective Investors must consult their own independent tax advisors regarding the federal income tax consequences of investing in the Interests in the context of their own particular circumstances, and must represent that they have done so as a condition to investing in the Interests.

Even if the federal income tax positions taken by an Investor with respect to an Interest are not upheld, an Investor who can establish reasonable cause for such positions and who acts in good faith is not subject to federal income tax penalties. Thus, although the discussions of federal income tax matters set forth in this Memorandum are not intended to be used and cannot be used for purposes of avoiding federal income tax penalties, the discussion herein may be used by Investors in establishing legal authority for the tax positions they take.

REPORTS

During the term of the Master Lease, the Master Tenant will keep proper and complete records and books of account for the Property, which will not be audited. These books and records will be kept at the Master Tenant’s principal place of business and will be available to the Investors during reasonable business hours.

LITIGATION

There are no material legal actions pending against the Trust or the Initial Beneficiary and to their knowledge, there are no such proceedings threatened or contemplated.

ADDITIONAL INFORMATION

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

Prospective Investors are entitled to review copies of other material contracts relating to Interests, the Trust, or the Property described in this Memorandum and copies of the various entities’ organizational documents. Copies of all reports and financial statements prepared by third parties in connection with this Offering are available upon request to the Trust.

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Exhibit A

Purchase Agreement and Investor Questionnaire

Exhibit B

Tax Opinion

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